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6 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region IX
7

8 In The Matter Of:)

9 San Fernando Valley, Area 2, Crystal Springs)
Glendale North Operable Unit)
10 Glendale South Operable Unit)

U.S. EPA
Docket No.:
97-18

12 RESPONDENTS:)

13 A.G. LAYNE, INC.; CHARLES C. LITCHFIELD;)
ACCESS CONTROLS, INC.; RANCHITO ALLEGRA;)
14 ADMIRAL CONTROLS, INC.; THE DAVID J. HIGGINS)
TRUST; DAVID J. HIGGINS; AMERICAN METASEAL)
15 COMPANY; AVIBANK MANUFACTURING; BROCK BUS)
LINES, INC.; BINZLEY REVOCABLE FAMILY TRUST,)
16 JOHN AND RUTH BINZLEY, TRUSTEES; BURBANK)
STEEL TREATING, INC.; COLTEC INDUSTRIES,)
17 INC., MENASCO AEROSYSTEMS DIVISION;)
COMMERCIAL INSPECTION SERVICES; MAG INVEST-)
18 MENTS, LTD.; COURTAULDS AEROSPACE, INC.;)
GEORGE AND KATHRYN HICKER; CARL M. BUCK,)
19 JR., AS TRUSTEE OF THE MATTHEW KING AND)
AMANDA KING BUCK TRUST; CARL M. BUCK PROFIT)
20 SHARING PLAN AND TRUST; KERDMAN FAMILY)
TRUST, HARRY U. KERDMAN, TRUSTEE; HARRY AND)
21 FLORENCE KERDMAN; JEFFREY J. AND BETTY)
PLAYERS; FRANK HAMBLIN; BERNARD FINE;)
22 GRETCHEN B. HAUSWALD; RUTH G. TROUSTORFF)
REVOCABLE TRUST, RUTH G. TROUSTORFF, AS)
23 TRUSTEE; IRL J. KARSEN; DATRON, INC.,)
ELECTRICAL ENGINEERING AND MANUFACTURING)
24 COMPANY DIVISION; DRILUBE COMPANY; WALTER)
J. FAIRFAX; EXCELLO PLATING; FIBER-RESIN)
25 CORP.; THE THOMSON FAMILY TRUST, JOSEPH A.)
AND VIRGINIA L. THOMSON, TRUSTEES;)
26 FOTOKEM INDUSTRIES, INC.; THE BRODERSON)
INVESTMENT CO.; GCG CORPORATION; COSMIC)
27 INVESTMENTS, INC.; GRANT PRODUCTS, INC.;)
THE PETERSON FAMILY TRUST, ARNOLD E. AND)
28 MARGARET R. PETERSON, TRUSTEES; HASKEL,)

1 INC.; LITCHFIELD, HILTON, CAMERON TRUST;)
INTERNATIONAL ELECTRONIC RESEARCH)
2 CORPORATION; ITT FLUID PRODUCTS CORPORATION,)
ITT CORPORATION; LANCO METALS; LOCKHEED)
3 MARTIN CORPORATION; LOCKHEED MARTIN)
LIBRASCOPE CORPORATION; PACIFIC BELL)
4 CORPORATION; PHILIPS COMPONENTS, DISCRETE)
PRODUCTS DIVISION OF NORTH AMERICAN PHILIPS)
5 CORPORATION; RALPH'S GROCERY COMPANY, INC.;)
CREDIT MANAGERS ASSOCIATION, INC.; SAI)
6 INDUSTRIES, INC.; SOUTHERN PACIFIC TRANS-)
PORTATION CO.; STERER ENGINEERING AND MANU-)
7 FACTURING COMPANY; SUNLAND CHEMICAL AND RE-)
SEARCH CORPORATION; VORELCO, INC.; W&W MANU-)
8 FACTURING COMPANY, INC.; WALT DISNEY)
COMPANY, INC.; MAGNETIC HEADS, INC.;)
9 PRUDENTIAL INSURANCE COMPANY OF AMERICA;)
WESTFORM INDUSTRIES; ZERO CORPORATION.)

10
11
12 Proceeding Under Section 106(a) of the)
Comprehensive Environmental Response,)
13 Compensation, and Liability Act of 1980,)
as amended (42 U.S.C. § 9606(a)))
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17 SECOND
ADMINISTRATIVE ORDER
FOR REMEDIAL ACTION

18 SAN FERNANDO VALLEY AREA 2 (CRYSTAL SPRINGS)

19
20 GLENDALE NORTH AND SOUTH OPERABLE UNITS
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2 I. INTRODUCTION AND JURISDICTION

3 1. This Unilateral Administrative Order (hereinafter "Order")
4 directs the Respondents identified in Paragraph 3 of this Section
5 and Appendix 1 to this Order to implement the remedial actions
6 for the interim remedies described in the Records of Decision
7 ("RODs") dated June 18, 1993 for the San Fernando Valley Area 2
8 Crystal Springs Superfund site, Glendale North and South Operable
9 Units ("OUs") (collectively, "the Site").¹ This Order is issued
10 to Respondents by the United States Environmental Protection
11 Agency ("EPA") under the authority vested in the President of the
12 United States by section 106(a) of the Comprehensive
13 Environmental Response, Compensation, and Liability Act of 1980,
14 as amended ("CERCLA"), 42 U.S.C. § 9606(a). This authority was
15 delegated to the Administrator of EPA on January 23, 1987 by
16 Executive Order 12580 (52 Fed. Reg. 2926, January 29, 1987), and
17 was further delegated to EPA Regional Administrators on September
18 13, 1987 by EPA Delegation No. 14-14-B. This authority has been
19 redelegated to the Director, Superfund Division, EPA, Region IX.

20 II. FINDINGS OF FACT

21 2. Site Background.

22 a. The Site is part of the San Fernando Valley Superfund
23 site, Area 2, also known as the Crystal Springs Area Superfund
24 site (hereinafter "Crystal Springs Site"). The Glendale North OU
25 generally includes the central portion of the Crystal Springs

26 ¹ This is the second unilateral administrative order EPA
27 has issued to the Respondents concerning the Site. The Glendale
28 North and South OU RODs were attached as Appendices 1a and 1b to
EPA's previous Order No. 97-06 executed by EPA on November 26,
1996 ("Order No. 97-06").

1 Site, as well as areas to which the plume of trichloroethylene
2 ("TCE"), perchloroethylene ("PCE") and other volatile organic
3 compounds ("VOCs") in the Glendale North OU has spread. The
4 Glendale South OU generally includes most of the southeastern
5 portion of the Crystal Springs Site, as well as areas to which
6 the plume of TCE, PCE and other VOCs in the Glendale South OU has
7 spread.

8 b. The Crystal Springs Site is one of four sites in the San
9 Fernando Valley groundwater basin ("Basin") which are listed on
10 the National Priorities List ("NPL"). The other three NPL sites
11 in the Basin are (1) North Hollywood (Area 1); (2) Verdugo (Area
12 3); and (3) Pollock (Area 4).

13 c. For decades, the Basin has been a primary source of
14 drinking water to over 800,000 residents and customers of the
15 cities of Glendale, Burbank, Los Angeles, and the La Crescenta
16 Water District.

17 d. In the early 1980's, massive contamination by VOCs,
18 primarily PCE and TCE, was detected in the Basin groundwater. In
19 1986, in direct response to the threat to drinking water
20 supplies, EPA added the four sites to the NPL. The federal
21 Maximum Contaminant Level ("MCL") for both TCE and PCE is five
22 (5) ug/l (parts per billion). TCE has been detected at
23 concentrations up to 23,000 ug/l in the Basin. PCE has been
24 detected at concentrations of up to 43,000 ug/l in the Basin. As
25 a result of the VOC contamination in the Basin groundwater, the
26 municipalities and water districts which had previously relied on
27 the Basin for drinking water to serve the public were forced to
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1 shut down their wellfields and to obtain drinking water from
2 alternative sources.

3 e. In general, EPA has managed all four NPL sites as one
4 site. EPA has divided Areas 1 and 2, (the North Hollywood and
5 the Crystal Springs NPL sites, respectively), where the most
6 serious contamination was initially determined to exist, into
7 four OUs: (1) North Hollywood; (2) Burbank; (3) Glendale North;
8 and (4) Glendale South. EPA established the OUs for the purpose
9 of selecting interim remedial actions. This approach allows EPA
10 to commence response actions as soon as possible, rather than
11 waiting for the completion of extensive, Basin-wide studies and
12 decisions on what further remedial actions may be necessary in
13 the Basin and/or at the OUs. EPA has executed RODs for all four
14 OUs: (1) North Hollywood, 1987; (2) Burbank, 1989; and (3)
15 Glendale North and South, 1993.

16 f. Each of the RODs selects an interim remedy for the OU.
17 In all four OUs, the selected interim remedy consists of a
18 groundwater extraction and treatment system to remove VOC
19 contamination from the groundwater. The Glendale North and South
20 RODs require a combined treatment facility to treat the
21 groundwater extracted from separate Glendale North and Glendale
22 South extraction wellfields. In the Glendale and Burbank OUs,
23 the extracted, treated groundwater also is blended with an
24 alternative source of water to reduce nitrate levels. After the
25 groundwater is extracted and treated, and blended with an
26 alternative source of water to reduce nitrate content if
27 applicable, the RODs require the extracted, treated groundwater

1 to be delivered to the public water supply, provided that a
2 public water purveyor is willing to accept and distribute the
3 water in a manner which is consistent with the interim remedies
4 established in the RODs. The RODs provide for alternative
5 discharge of the water in the event that the applicable public
6 water purveyor is unwilling to accept and distribute the water.
7 In this way, the RODs enable EPA to contain the contamination
8 from spreading further, to commence removal of VOC mass
9 concentrations from heavily contaminated portions of the Basin,
10 and to endeavor to restore the groundwater resource to the
11 communities which formerly depended upon it as a drinking water
12 supply.

13 g. In 1987, pursuant to the North Hollywood ROD, EPA
14 entered into a cooperative agreement with the Los Angeles
15 Department of Water and Power ("LADWP") to design and construct
16 the interim remedy selected in the North Hollywood OU ROD. LADWP
17 completed construction of the North Hollywood system and began
18 serving the extracted, treated groundwater to the public in 1989.
19 The North Hollywood interim remedy is scheduled to operate for
20 fifteen (15) years.

21 h. In June 1994, EPA filed an action titled United States
22 v. AlliedSignal, Inc., 93-6490 (MRP) in the Central District of
23 California to recover its response costs in connection with the
24 North Hollywood OU interim remedy. The State of California,
25 Department of Toxic Substances Control ("DTSC") also filed an
26 action to recover its response costs for the North Hollywood OU,
27 which was consolidated with EPA's action. EPA and DTSC have
28

1 entered into a partial consent decree with certain defendants to
2 that action, pursuant to which those defendants have paid a
3 portion of EPA's and DTSC's response costs. The partial consent
4 decree was entered by the court on August 8, 1996. EPA
5 subsequently entered into a second partial consent decree with
6 the remaining defendants to the action, in which DTSC joined,
7 which provided for the remaining defendants to pay the
8 substantial remainder of EPA's response costs in the North
9 Hollywood OU. The second partial consent decree was entered by
10 the court on May 14, 1997.

11 i. In 1992, pursuant to the Burbank ROD, EPA entered into a
12 consent decree with Lockheed Corporation (now Lockheed Martin
13 Corporation), Weber Aircraft, Inc., and the City of Burbank, in
14 the action titled United States v. Lockheed Corporation, et al.,
15 No. 91-4527 (MRP) (Tx) in the Central District of California. In
16 the Burbank consent decree, those parties agreed to finance
17 and/or to perform the remedial design, to construct the remedial
18 action, to operate and maintain the remedial action for two years
19 after construction was complete, and to pay certain of EPA's past
20 and future response costs in connection with the Burbank OU.
21 Also pursuant to the Burbank ROD, EPA issued Unilateral
22 Administrative Order No. 92-12 ("UAO No. 92-12") to six
23 additional parties associated with the Burbank OU, to design and
24 construct a blending facility. These parties have completed
25 construction of the Burbank interim remedy and the City of
26 Burbank began serving the extracted, treated groundwater to the
27 public in March 1996. The Burbank OU interim remedy is scheduled
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1 | to operate for twenty (20) years.

2 | j. EPA recently completed negotiations for a second consent
3 | decree with the parties to the Burbank consent decree and UAO No.
4 | 92-12, and with numerous additional parties associated with
5 | approximately twenty-five other facilities in the Burbank OU.
6 | The second consent decree for the Burbank OU will provide for the
7 | long-term operation and maintenance, for eighteen (18) additional
8 | years, of the interim remedy, and for the payment of EPA's
9 | response costs in connection with the Burbank OU which were not
10 | recovered under the first Burbank consent decree.

11 | k. In October 1993, pursuant to the Glendale RODs executed
12 | in June 1993, EPA issued Special Notice for Remedial Design to
13 | parties associated with approximately thirty-five properties
14 | within the Site, requesting that these parties enter into an
15 | Administrative Order on Consent ("AOC") with EPA. EPA sought
16 | these parties' agreement to perform the remedial design for the
17 | Glendale North and South OU interim remedies. On March 30, 1994,
18 | EPA entered into Administrative Order on Consent No. 94-11
19 | ("AOC") with twenty-five of the noticed parties ("AOC Parties").

20 | l. The AOC Parties agreed to design the interim remedies
21 | selected in the Glendale North and South RODs, and to pay EPA's
22 | oversight costs for the remedial design work. Contemporaneous
23 | with entering into the AOC, EPA also entered into a Memorandum of
24 | Agreement with the City of Glendale concerning aspects of the
25 | design which required the City of Glendale to coordinate and
26 | cooperate with the AOC Parties.

27 | m. In October 1995, EPA issued Special Notice for Remedial
28 |

1 Action to parties associated with approximately forty-two
2 properties within the Site, including the AOC Parties, other
3 recipients of EPA's 1993 Special Notice for Remedial Design, and
4 additional parties whom EPA had identified as potentially
5 responsible parties at the Site and to whom EPA had issued
6 General Notice of their potential liability since issuing its
7 1993 Special Notice. In its 1995 Special Notice for Remedial
8 Action, EPA sought a good faith offer from the noticed parties
9 pursuant to CERCLA section 122(e)(2)(b), 42 U.S.C.

10 § 9622(e)(2)(b), to execute a consent decree with EPA. The
11 proposed consent decree would have provided for the construction,
12 operation and maintenance of the Glendale OU interim remedies.
13 Specifically, EPA sought the noticed parties' agreement to
14 construct, operate and maintain the interim remedial actions for
15 the Glendale North and South OUs for the twelve (12) years
16 required by the Glendale RODs, and to pay EPA's past and future
17 response costs relating to the Site.

18 n. The AOC Parties and other recipients of EPA's 1993 and
19 1995 Special Notices have formed a steering committee
20 (hereinafter "the Glendale PRP Group"). On December 15, 1995,
21 the Glendale PRP Group, in response to EPA's October 1995 Special
22 Notice for Remedial Action, furnished EPA with an offer to
23 perform the work and to pay certain of EPA's response costs. The
24 Glendale PRP Group also subsequently attended one meeting with
25 EPA to discuss the terms of a consent decree.

26 o. In around March 1996, the Glendale PRP Group informed
27 EPA that it was, for the time being, unwilling to execute a
28

1 consent decree with EPA for the following reasons: The Glendale
2 PRP Group members had entered into private and confidential
3 alternative dispute resolution ("ADR") of their potential
4 liability to each other under CERCLA section 113(f), 42 U.S.C.
5 § 9613(f). Due to delays in the ADR process, and the Glendale
6 PRP Group members' desire to complete the ADR process before
7 entering into a consent decree with EPA, the Glendale PRP Group
8 members declined to negotiate and enter into a consent decree
9 with EPA until the ADR process was complete. The Glendale PRP
10 Group further informed EPA that it anticipated completion of the
11 ADR process by late July 1996.

12 p. On March 21, 1996, EPA formally notified the Glendale
13 PRP Group that the 120-day moratorium on enforcement actions
14 pursuant to CERCLA, section 122(e)(2)(A) and (B), 42 U.S.C.
15 § 9622(e)(2)(A-B), had expired. EPA also notified the Glendale
16 PRP Group that it intended to issue a unilateral administrative
17 order to provide for uninterrupted work on the interim remedy
18 once the tasks required by the AOC were completed. However, EPA
19 also notified the Glendale PRP Group that if its members
20 presented a good faith offer to EPA by August 31, 1996, and
21 executed a consent decree with EPA by September 30, 1996, EPA
22 would enter into negotiations for a consent decree in that time
23 frame.

24 q. None of the Glendale PRP Group members provided EPA
25 with a good faith offer in response to EPA's March 21, 1996
26 notice. In addition, the Glendale PRP Group members became
27 engaged in litigation, both in California and the federal courts,

1 concerning the subject of their contribution liability to each
2 another. The Glendale PRP Group informed EPA that its members
3 remain unwilling to negotiate and enter into a consent decree
4 with EPA until their contribution liability to each other was
5 resolved.

6 r. The AOC Parties submitted the final design for the
7 interim remedial actions ("Final Design") pursuant to the AOC on
8 September 30, 1996. EPA approved the Final Design for the
9 interim remedial actions at the Glendale North and South OUs on
10 November 11, 1996. Consequently, the tasks to be performed under
11 the AOC were complete and another enforcement mechanism was
12 required for the implementation of the remedial actions.

13 s. Accordingly, on November 26, 1996, EPA issued Order No.
14 97-06 to provide for the implementation of the design prepared
15 under the AOC. Specifically, Order No. 97-06 required the
16 respondents to that order to implement the interim remedial
17 actions described in the Glendale North and South OU RODs for the
18 period of operations set forth in the Statement of Work attached
19 as Appendix 3 to that Order, approximately two hundred and
20 seventy (270) days. Order No. 97-06 thus ensured that there
21 would be no interruption in the work necessary to establish the
22 interim remedies at the Glendale OUs due to the lack of a consent
23 decree providing for such work to be completed. Order No. 97-06
24 also required the respondents to that order to pay EPA's response
25 costs in connection with Order No. 97-06. EPA stated in Order
26 No. 97-06 that it intended to amend and/or supplement that Order,
27 or to issue a new Order, to require completion of the work

1 required by the RODs upon completion of the work required by
2 Appendix 3 to Order No. 97-06. The work required under Order No.
3 97-06 was completed on September 8, 1997.

4 t. In May 1997, the Glendale PRP Group notified EPA that it
5 had sufficiently resolved its legal disputes so that it was
6 willing to re-commence negotiations for a consent decree with
7 EPA. The Glendale PRP Group met with EPA to begin formal consent
8 decree negotiations on June 24, 1997, and those negotiations are
9 continuing. However, a consent decree has not been completed
10 sufficiently in advance of the expiration of work required under
11 Order No. 97-06 for the work to continue uninterrupted under a
12 consent decree. It therefore remains necessary for EPA to issue
13 a unilateral administrative order to provide for the continued
14 implementation of the interim remedial actions at the Site.

15 u. Accordingly, EPA is issuing this Order to require
16 continued implementation and the completion of the interim
17 remedial actions described in the Glendale RODs, including but
18 not limited to O&M. This Order further requires Respondents to
19 pay EPA's response costs in connection with this Order.

20 3. Respondents

21 a. The Respondents to this Order are the parties named in
22 Appendix 1. Each of the Respondents was a recipient of EPA's
23 October 1995 Special Notice for Remedial Action. The Respondents
24 include but are not limited to members of the Glendale PRP Group.

25 b. Except as noted in Appendix 1, each of the Respondents
26 is the current owner of property, and/or the current operator of
27 a business located at a property which is located generally

1 within the Site, from which releases and/or the threat of
2 releases of hazardous substances, including but not limited to
3 PCE and TCE, have occurred.

4 c. In some instances, and as alleged in Appendix 1, a
5 Respondent is a past owner of such a property and/or a past
6 operator of a business located at such property. In these cases,
7 releases and/or the threat of releases of such hazardous
8 substances occurred at the facility during the time that such
9 Respondent owned and/or operated the facility.

10 d. The VOCs of primary concern at the Glendale OUs, TCE
11 and PCE, are typical constituents of solvents used frequently in
12 heavy industrial and manufacturing applications, such as
13 aerospace and defense manufacturing, which were the principal
14 industries in the San Fernando Valley from approximately 1940 to
15 the late 1980's. Consequently, many of the Respondents to this
16 Order were or are associated with aerospace or defense
17 manufacturing operations and/or property where aerospace or
18 defense manufacturing operations were carried out. However,
19 solvents containing PCE, TCE and other VOCs also have been used
20 in numerous other types of businesses for their unique cleaning
21 properties. Thus, other Respondents to the Order are or were
22 engaged in the operation of a variety of businesses, or own or
23 have owned property where many diverse industries have operated.
24 These industries include but are not limited to drycleaning
25 establishments, metal plating shops, automotive repair shops,
26 motion picture production and related businesses, and food
27 preparation and/or retail operations.

1 e. EPA identified Respondents principally through
2 investigations carried out by the California Regional Water
3 Quality Control Board, Los Angeles Region ("RWQCB"), under a
4 cooperative agreement between EPA and the State Water Resources
5 Control Board. Pursuant to the cooperative agreement, the RWQCB
6 conducts site-specific investigations of businesses in the San
7 Fernando Valley. These investigations typically include database
8 surveys and other preliminary evaluations of historical chemical
9 usage and storage at a particular property, and, if warranted,
10 site-specific subsurface investigations which include one or more
11 of soil sampling, soil vapor sampling and groundwater sampling.
12 These investigations may be supplemented by information requests
13 issued by EPA pursuant to section 104 of CERCLA, 42 U.S.C.
14 § 9604. Based on these investigations, EPA has determined that
15 releases of hazardous substances have occurred, and/or that the
16 threat of releases of hazardous substances has occurred or exists
17 at Respondents' properties.

18 f. The above-described releases and/or threats of releases
19 of hazardous substances from Respondents' facilities have caused
20 the incurrence of response costs by EPA and continue to cause the
21 incurrence of response costs by EPA.

22 4. The respondents identified in Paragraph 3 and Appendix 1 are
23 collectively referred to as "Respondents."
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1 III. CONCLUSIONS OF LAW AND DETERMINATIONS

2 5. The properties owned and/or operated by Respondents are each
3 "facilities" as defined in section 101(9) of CERCLA, 42 U.S.C.
4 § 9601(9).

5 6. Each Respondent is a "person" as defined in section 101(21)
6 of CERCLA, 42 U.S.C. § 9601(21).

7 7. Each Respondent is a liable party pursuant to section 107(a)
8 of CERCLA, 42 U.S.C. § 9607(a), and is subject to this Order
9 under section 106(a) of CERCLA, 42 U.S.C. § 9606(a).

10 8. The substances listed in paragraphs 2 and 3 are found at the
11 Site and are "hazardous substances" as defined in section 101(14)
12 of CERCLA, 42 U.S.C. § 9601(14).

13 9. These hazardous substances have been and/or are being
14 released from the Respondents' facilities to the soil and
15 groundwater at the Site.

16 10. The past and possible present disposal and migration of
17 hazardous substances from each of the Respondents' facilities at
18 the Site are "releases" as defined in section 101(22) of CERCLA,
19 42 U.S.C. § 9601(22).

20 11. The potential for future migration of hazardous substances
21 from the Respondents' facilities to the Site poses a threat of a
22 "release" as defined in section 101(22) of CERCLA, 42 U.S.C.
23 § 9601(22).

24 12. The release and/or threat of release of one or more
25 hazardous substances from the Respondents' facilities may present
26 an imminent and substantial endangerment to the public health or
27 welfare or the environment.

1 13. The contamination and endangerment at this Site constitute
2 an indivisible injury. The actions required by this Order are
3 necessary to protect the public health and welfare, and the
4 environment.

5 IV. NOTICE TO THE STATE

6 14. On September 29, 1997, prior to issuing this Order, EPA
7 notified the State of California DTSC and the RWQCB that EPA
8 would be issuing this Order.

9 V. ORDER

10 15. Based on the foregoing, Respondents are hereby ordered,
11 jointly and severally, to comply with the following provisions,
12 including but not limited to all attachments to this Order, all
13 documents incorporated by reference into this Order, and all
14 schedules and deadlines in this Order, attached to this Order, or
15 incorporated by reference into this Order.

16 VI. DEFINITIONS

17 16. Unless otherwise expressly provided herein, terms used in
18 this Order which are defined in CERCLA or in regulations
19 promulgated under CERCLA shall have the meaning assigned to them
20 in the statute or its implementing regulations. Whenever terms
21 listed below are used in this Order or in the documents attached
22 to this Order or incorporated by reference into this Order, the
23 following definitions shall apply:

24 a. "CERCLA" shall mean the Comprehensive Environmental
25 Response, Compensation, and Liability Act of 1980, as amended, 42
26 U.S.C. §§ 9601 et seq.

27 b. "Construction Manager" shall mean the representative of
28

1 the Respondents assigned to the Site to administer and oversee
2 the construction contract. Further responsibilities of the
3 Construction Manager are as described in the Statement of Work,
4 Appendix 2 to this Order at Section I, Paragraph F.

5 c. "Constructor" shall mean the contractor retained by
6 Respondents to perform the construction work for the Remedial
7 Action.

8 d. "Day" shall mean a calendar day unless expressly stated
9 to be a working day. "Working day" shall mean a day other than a
10 Saturday, Sunday, or federal holiday. In computing any period of
11 time under this Order, where the last day would fall on a
12 Saturday, Sunday, or federal holiday, the period shall run until
13 the end of the next working day.

14 e. "Effective Date" or "effective date" shall mean the
15 date provided by Section XXVIII of this Order (Effective Date and
16 Computation of Time), upon which this Order shall be effective.

17 f. "EPA" shall mean the United States Environmental
18 Protection Agency.

19 g. "Explanation of Significant Differences," or "ESD"
20 shall mean any Explanation of Significant Differences to the
21 Glendale North and South OU RODs.

22 h. "Department of Toxic Substances Control," or "DTSC"
23 shall mean the California Department of Toxic Substances Control
24 and any successor agency.

25 i. "Final Design" shall mean the design for the Glendale
26 North and South OU interim remedies submitted by the AOC Parties,
27 and approved by EPA on November 11, 1996.

1 j. "National Contingency Plan" or "NCP" shall mean the
2 National Contingency Plan promulgated pursuant to Section 105 of
3 CERCLA, 42 U.S.C. § 9605, codified at 40 C.F.R. Part 300,
4 including any amendments thereto.

5 k. "Operation and Maintenance" or "O&M" shall mean all
6 activities required under the Operation and Maintenance Plan
7 which will be prepared by Respondents pursuant to Section III of
8 the Statement of Work, Appendix 2 to this Order.

9 l. "Paragraph" shall mean a portion of this Order or the
10 Statement of Work identified by an upper-case letter or an Arabic
11 numeral.

12 m. "Performance Standards" shall mean those cleanup
13 standards, standards of control, and other substantive
14 requirements, criteria or limitations identified in the Records
15 of Decision and Statements of Work to Order No. 97-06 and this
16 Order, that the Remedial Action and Work required by this Order
17 must attain and maintain.

18 n. "Project Coordinator" shall mean the representative of
19 the Respondents responsible for coordinating the Respondents'
20 technical work.

21 o. "Records of Decision" or "RODs" shall mean the EPA
22 Records of Decision relating to the Site, Glendale North and
23 South OUs, each signed on June 18, 1993 by the Regional
24 Administrator, EPA Region IX, and all attachments thereto,
25 including any Explanation of Significant Differences to the RODs.
26 The Records of Decision for the Glendale North and South OUs are
27 attached as Appendices 1a and 1b to Order No. 97-06.

p. "Regional Water Quality Control Board" or "RWQCB" shall mean the Los Angeles Regional Water Quality Control Board, and any successor agency.

q. "Remedial Action" or "RA" shall mean those activities, except for Operation and Maintenance, to be undertaken by Respondents to implement the Final Design submitted by Respondents pursuant to the Remedial Design Work Plan approved by EPA, including but not limited to any additional activities required under Sections X, XI, XII, XIII, and XIV of this Order.

r. "Remedial Action Work" shall mean the Work required by this Order.

s. "Remedial Action Work Plan" or "RA Work Plan" shall mean the work plan of that name submitted by Respondents pursuant to Order No. 97-06 and approved by EPA, according to the statement of work and schedules established by that order.

t. "Remedial Design" or "RD" shall mean those activities which were undertaken by the AOC Parties pursuant to the Remedial Design Work Plan to develop the final plans and specifications for the Remedial Action.

u. "Remedial Facilities" shall mean all facilities designed by the AOC Parties and constructed by the Respondents to this Order and Order No. 97-06.

v. "Response Costs" shall mean all costs, including direct costs, indirect costs, and accrued interest incurred by the United States to perform or support response actions at the Site. Response costs include but are not limited to the costs of overseeing the Work, such as the costs of reviewing or developing

1 plans, reports and other items pursuant to this Order and costs
2 associated with verifying the Work.

3 w. "Statement of Work" or "SOW" shall mean the statement
4 of work for implementation of the Remedial Action Work appended
5 as Appendix 2 to this Order, unless reference is expressly made
6 to the statement of work appended to Order No. 97-06 as Appendix
7 3. The Statement of Work is incorporated into this Order and is
8 an enforceable part of this Order.

9 x. "Section" shall mean a portion of this Order or the
10 Statement of Work identified by a Roman numeral and may include
11 one or more paragraphs.

12 y. "Site" shall mean the Glendale North and South OUs of
13 the Crystal Springs Site, encompassing approximately 14,362 acres
14 generally located at and around Glendale, California, as
15 described in the Records of Decision, and the areal extent of
16 PCE, TCE and other VOC contamination at or migrating from the
17 Site.

18 z. "State" shall mean the State of California.

19 aa. "United States" shall mean the United States of
20 America.

21 ab. "Work" shall mean all activities Respondents are
22 required to perform under this Order to implement the Glendale
23 North and South OU RODs, which may include but are not limited to
24 any activities required to be undertaken pursuant to Sections VII
25 through XXIV, and XXVII of this Order, and pursuant to the SOW.

VII. NOTICE OF INTENT TO COMPLY

17. Respondents shall provide, not later than five (5) days after the Effective Date of this Order, written notice to EPA's Remedial Project Manager ("RPM") stating whether they will comply with the terms of this Order. If Respondents do not unequivocally commit to perform the Work as provided by this Order, they shall be deemed to have violated this Order and to have failed or refused to comply with this Order. Respondents' written notice shall describe, using facts that exist on or prior to the Effective Date of this Order, any "sufficient cause" defenses asserted by Respondents under sections 106(b) and 107(c)(3) of CERCLA, 42 U.S.C. § 9606(b) and 9607(c)(3). The absence of a response by EPA to the notice required by this paragraph shall not be deemed to be acceptance of Respondent's assertions.

VIII. PARTIES BOUND

18. This Order shall apply to and be binding upon each Respondent identified in Paragraph 3, its directors, officers, employees, agents, successors, and assigns. Respondents are jointly and severally responsible for carrying out all activities required by this Order. No change in the ownership, corporate status, or other control of any Respondent shall alter any of such Respondent's, or any other Respondent's responsibilities under this Order.

19. Respondents shall provide a copy of this Order to any prospective owners or successors before a controlling interest in Respondent's assets, property rights to property within the Site,

1 or stock are transferred to the prospective owner or successor.
2 Respondents shall provide a copy of this Order to each
3 contractor, subcontractor, laboratory, or consultant retained to
4 perform any Work under this Order, within five (5) days after the
5 Effective Date of this Order or on the date such services are
6 retained, whichever date occurs later. Respondents also shall
7 provide a copy of this Order to each person representing any
8 Respondent with respect to the Site or the Work and shall
9 condition all contracts and subcontracts entered into hereunder
10 upon performance of the Work in conformity with the terms of this
11 Order. With regard to the activities undertaken pursuant to this
12 Order, each contractor and subcontractor shall be deemed to be
13 related by contract to the Respondents within the meaning of
14 section 107(b)(3) of CERCLA, 42 U.S.C. § 9607(b)(3).
15 Notwithstanding the terms of any contract, Respondents are
16 responsible for compliance with this Order and for ensuring that
17 their contractors, subcontractors and agents comply with this
18 Order, and perform any Work in accordance with this Order.
19 20. Within five (5) days after the Effective Date of this Order,
20 each Respondent that owns real property comprising all or part of
21 the Site shall record a copy or copies of this Order in the
22 appropriate governmental office where land ownership and transfer
23 records are filed or recorded, and shall ensure that the
24 recording of this Order is indexed to the titles of each and
25 every property at the Site so as to provide notice to third
26 parties of the issuance and terms of this Order with respect to
27 those properties. Respondents shall, within fifteen (15) days

1 after the Effective Date of this Order, send notice of such
2 recording and indexing to EPA.

3 21. Not later than sixty (60) days prior to any transfer of any
4 real property interest in any property included within the Site,
5 Respondents shall submit a true and correct copy of the transfer
6 document(s) to EPA, and shall identify the transferee by name,
7 principal business address and the effective date of the
8 transfer.

9 IX. WORK TO BE PERFORMED

10 22. Respondents shall cooperate with EPA in providing
11 information regarding the Work to the public. As requested by
12 EPA, Respondents shall participate in the preparation of such
13 information for distribution to the public and in public meetings
14 which may be held or sponsored by EPA to explain activities at or
15 relating to the Site.

16 23. Respondents shall use their best efforts to coordinate and
17 cooperate with the City of Glendale and any other municipal,
18 local, or state or federal authorities as necessary to implement
19 the interim remedial actions at the Site. These obligations
20 shall include but shall not be limited to Respondents'
21 obligations pursuant to the Statement of Work.

22 24. All aspects of the Work to be performed by Respondents
23 pursuant to this Order shall be under the direction and
24 supervision of a qualified Construction Manager and Resident
25 Engineer, the selection of which shall be subject to approval by
26 EPA. Under Order No. 97-06, Respondents have selected and EPA
27 has approved a Construction Manager and a Resident Engineer for
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1 the Site. If at any time Respondents propose to use a different
2 Construction Manager or Resident Engineer, Respondents shall
3 notify EPA and shall obtain approval from EPA before the new
4 Construction Manager or Resident Engineer performs any Work under
5 this Order. Such notification shall include at a minimum the
6 name, address, telephone number, and a description of the
7 qualifications of the proposed Construction Manager or Resident
8 Engineer, including primary support entities and staff.

9 25. EPA will review Respondents' selection of a Construction
10 Manager and/or Resident Engineer according to the terms of this
11 Paragraph and Section XIV of this Order (EPA Approval of
12 Submissions). If EPA disapproves of the selection of the
13 Construction Manager and/or Resident Engineer, Respondents shall
14 submit to EPA within thirty (30) days after receipt of EPA's
15 disapproval of the Construction Manager and/or Resident Engineer
16 previously selected, a list of different Construction Managers
17 and/or Resident Engineers, including primary support entities and
18 staff, that would be acceptable to Respondents. EPA will
19 thereafter provide written notice to Respondents of the names of
20 the Construction Managers and/or Resident Engineers on
21 Respondents' list that are acceptable to EPA. Respondents may
22 then select from the EPA-approved list any approved Construction
23 Manager and/or Resident Engineer and shall notify EPA of the name
24 of the Construction Manager and/or Resident Engineer selected
25 within twenty-one (21) days of EPA's designation of approved
26 Construction Managers and/or Resident Engineers.

1 26. On July 15, 1997 Respondents submitted a Remedial Action
2 Work Plan to EPA, which EPA approved on August 22, 1997.

3 27. The Remedial Action Work Plan is incorporated into this
4 Order as a requirement of this Order and shall be an enforceable
5 part of this Order.

6 28. Respondents shall implement the Remedial Action Work Plan
7 according to the schedules in the RA Work Plan or as modified by
8 EPA.

9 29. Respondents have selected certain construction contractors
10 pursuant to the requirements of Order No. 97-06, and subject to
11 EPA's approval. If Respondents seek to retain a construction
12 contractor to assist in the performance of the Remedial Action as
13 to whom contractor solicitation documents have not previously
14 been provided to EPA, then Respondents shall submit a copy of the
15 contractor solicitation documents to EPA not later than five (5)
16 days after publishing the solicitation documents.

17 30. Within sixty (60) days of the Effective Date of this Order,
18 Respondents shall notify EPA in writing of the name, title, and
19 qualifications of any construction contractor(s) proposed to be
20 used in carrying out Work under this Order, except those as to
21 whom Respondents previously notified EPA pursuant to Order No.
22 97-06. EPA shall thereafter provide written notice of the
23 name(s) of the contractor(s) it approves, if any. Respondents
24 may select any approved contractor from that list and shall
25 notify EPA of the name of the contractor selected within twenty-
26 one (21) days of EPA's designation of approved contractors. If
27 at any time Respondents propose to change or add any construction
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1 contractor, Respondents shall notify EPA and shall obtain
2 approval from EPA as provided in this Paragraph, before the new
3 construction contractor performs any work under this Order. If
4 EPA disapproves of the selection of any contractor as the
5 construction contractor, Respondents shall submit a list of
6 contractors that would be acceptable to them to EPA within thirty
7 (30) days after receipt of EPA's disapproval of the contractor
8 previously selected. EPA will thereafter provide written notice
9 to Respondents of the names of the construction contractor(s) on
10 Respondents' list that are acceptable to EPA. Respondents may
11 then select from the EPA-approved list any approved construction
12 contractor and shall notify EPA of the name of the construction
13 contractor selected within twenty-one (21) days of EPA's
14 designation of approved construction contractor(s).

15 31. The Work performed by Respondents pursuant to this Order
16 shall, at a minimum, achieve the Performance Standards (a)
17 specified in the Records of Decision and in the Statement of
18 Work, (b) developed pursuant to Order No. 97-06 in the Operations
19 & Maintenance, Operational Sampling, and Performance Standards
20 Assessment Plans; or (c) developed and/or required pursuant to
21 this Order.

22 32. Notwithstanding any action by EPA, Respondents remain fully
23 responsible for achievement of the Performance Standards.
24 Nothing in this Order, Order No. 97-06, the AOC, or in EPA's
25 approval of the Statement of Work, the Remedial Design or
26 Remedial Action Work Plans, or approval of any other submission,
27 shall be deemed to constitute a warranty or representation of any
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1 kind by EPA that full performance of the Remedial Action Work
2 will achieve the Performance Standards. Respondents' compliance
3 with such approved documents does not foreclose EPA from seeking
4 additional work to achieve the applicable Performance Standards.

5 33. Respondents shall, prior to any off-site shipment of
6 hazardous substances from the Site to an out-of-state waste
7 management facility, provide written notification to the
8 appropriate state environmental official in the receiving state
9 and to EPA's RPM of such shipment of hazardous substances.

10 However, the notification of shipments shall not apply to any
11 off-Site shipments when the total volume of all shipments from
12 the Site to the State will not exceed ten (10) cubic yards.

13 a. The notification shall be in writing, and shall include
14 the following information, where available: (1) the name and
15 location of the facility to which the hazardous substances are to
16 be shipped; (2) the type and quantity of the hazardous substances
17 to be shipped; (3) the expected schedule for the shipment of the
18 hazardous substances; and (4) the method of transportation.

19 Respondents shall notify the receiving state of major changes in
20 the shipment plan, such as a decision to ship the hazardous
21 substances to another facility within the same state, or to a
22 facility in another state.

23 b. The identity of the receiving facility and state will
24 be determined by Respondents following the award of the contract
25 for Remedial Action construction. Respondents shall provide all
26 relevant information, including information under the categories
27 noted in this Paragraph, subparagraph a above, on the off-Site

1 shipments as soon as practicable after the award of the contract
2 and before the hazardous substances are actually shipped.

3 34.

4 a. Within thirty (30) days after Respondents conclude that
5 the Remedial Action has been fully performed, Respondents shall
6 so notify EPA and shall schedule and conduct a pre-final and
7 final inspection of the Remedial Action to be attended by
8 Respondents and EPA, as provided in the Statement of Work,
9 Section II, Paragraph C.8. The pre-final and final inspection
10 shall be followed by a written report submitted within thirty
11 (30) days of the inspection by a registered professional engineer
12 and Respondents' Project Coordinator certifying that the Remedial
13 Action Work has been completed in full satisfaction of the
14 requirements of this Order. If, after completion of the pre-
15 final and final inspection and receipt and review of the written
16 report, EPA determines that the Remedial Action or any portion
17 thereof has not been completed in accordance with this Order, EPA
18 shall notify Respondents in writing of the activities that must
19 be undertaken to complete the Remedial Action Work and shall set
20 forth in the notice a schedule for performance of such
21 activities. Respondents shall perform all activities described
22 in the notice in accordance with the specifications and schedules
23 established therein. If EPA concludes, following the initial or
24 any subsequent certification of completion by Respondents that
25 the Remedial Action Work has been fully performed in accordance
26 with this Order, EPA may notify Respondents that the Remedial
27 Action Work has been fully performed.

1 b. Within thirty (30) days after Respondents conclude that
2 the Remedial Action Work has been fully performed, Respondents
3 shall so notify EPA and shall schedule and conduct a pre-
4 certification inspection to be attended by Respondents and EPA,
5 as provided in the Statement of Work, Section II, Paragraph E.1.
6 The pre-certification inspection shall be followed by a written
7 report submitted within thirty (30) days of the inspection by a
8 registered professional engineer and Respondents' Project
9 Coordinator certifying that the Remedial Action Work has been
10 completed in full satisfaction of the requirements of this Order.
11 If, after completion of the pre-certification inspection and
12 receipt and review of the written report, EPA determines that the
13 Remedial Action Work or any portion thereof has not been
14 completed in accordance with this Order, EPA shall notify
15 Respondents in writing of the activities that must be undertaken
16 to complete the Remedial Action Work and shall set forth in the
17 notice a schedule for performance of such activities.
18 Respondents shall perform all activities described in the notice
19 in accordance with the specifications and schedules established
20 therein. If EPA concludes, following the initial or any
21 subsequent certification of completion by Respondents that the
22 Remedial Action has been fully performed in accordance with this
23 Order, EPA may notify Respondents that the Remedial Action Work
24 has been fully performed.

25 c. With respect to both the pre-final and final inspection
26 of the Remedial Action, and the pre-certification inspection of
27 the Remedial Action Work, EPA's notification shall be based on
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1 present knowledge and Respondent's certification to EPA, and
2 shall not limit EPA's right to issue additional orders or take
3 other enforcement actions to require the further implementation
4 of the RODs, to perform periodic reviews pursuant to section
5 121(c) of CERCLA, 42 U.S.C. § 9621(c), or to take or require any
6 action that in the judgment of EPA is appropriate at the Site, in
7 accordance with 42 U.S.C. §§ 9604, 9606, or 9607. In addition,
8 EPA may decline to issue such notification if it determines to
9 issue additional unilateral administrative order(s) to
10 Respondents, or to amend or supplement this Order to require
11 Respondents to perform work in addition to that required by the
12 Statement of Work.

13 X. FAILURE TO ATTAIN PERFORMANCE STANDARDS

14 35. In the event that EPA determines that additional response
15 activities are necessary to meet applicable Performance
16 Standards, EPA may notify Respondents that additional response
17 actions are necessary.

18 36. Unless otherwise stated by EPA, within thirty (30) days of
19 receipt of notice from EPA that additional response activities
20 are necessary to meet any applicable Performance Standards,
21 Respondents shall submit for approval by EPA a work plan for the
22 additional response activities. The plan shall conform to the
23 applicable requirements of this Order, including but not limited
24 to Sections IX (Work to be Performed), XVI (Progress Reports),
25 and XVII (Compliance With Applicable Laws) of this Order. Upon
26 EPA's approval of the plan pursuant to Section XIV (EPA Review of
27 Submissions), Respondents shall implement the plan for additional
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1 response activities in accordance with the provisions and
2 schedule contained therein.

3 XI. EPA PERIODIC REVIEW

4 37. Under section 121(c) of CERCLA, 42 U.S.C. § 9621(c), and any
5 applicable regulations, EPA may review the Work and/or the Site
6 to assure that the Work performed pursuant to this Order
7 adequately protects human health and the environment. Until such
8 time as EPA certifies completion of the actions required in the
9 RODs, Respondents shall conduct the requisite studies,
10 investigations, or other response actions as determined necessary
11 by EPA in order to permit EPA to conduct the review under section
12 121(c) of CERCLA. As a result of any review performed under this
13 Paragraph, Respondents may be required to perform additional Work
14 or to modify Work previously performed.

15 XII. ADDITIONAL RESPONSE ACTIONS

16 38. EPA may determine that in addition to the Work identified in
17 this Order and attachments to this Order, additional response
18 activities may be necessary to protect human health and the
19 environment. If EPA determines that additional response
20 activities are necessary, EPA may require Respondents to submit a
21 work plan for additional response activities. EPA may also
22 require Respondents to modify any plan, design, or other
23 deliverable required by this Order, including any approved
24 modifications.

25 39. Not later than thirty (30) days after receiving EPA's notice
26 that additional response activities are required pursuant to this
27 Section, Respondents shall submit a work plan for the response

1 activities to EPA for review and approval. Upon approval by EPA,
2 the work plan shall be incorporated into this Order as a
3 requirement of this Order and shall be an enforceable part of
4 this Order. Upon approval of the work plan by EPA, Respondents
5 shall implement the work plan according to the standards,
6 specifications, and schedule in the approved work plan.
7 Respondents shall notify EPA of their intent to perform such
8 additional response activities within seven (7) days after
9 receipt of EPA's request for additional response activities.

10 XIII. ENDANGERMENT AND EMERGENCY RESPONSE

11 40. In the event of any action or occurrence during the
12 performance of the Work which causes or threatens to cause a
13 release of a hazardous substance or which may present an
14 immediate threat to public health or welfare or the environment,
15 Respondents shall immediately take all appropriate action to
16 prevent, abate, or minimize the threat, and shall immediately
17 notify EPA's RPM or, if the RPM is unavailable, EPA's Alternate
18 RPM. If neither of these persons is available, Respondents shall
19 notify the EPA Emergency Response Unit, Region IX. Respondents
20 shall take appropriate response action in consultation with EPA's
21 RPM and in accordance with all applicable provisions of this
22 Order, including but not limited to the Health and Safety Plan
23 and the Contingency Plan. In the event that Respondents fail to
24 take appropriate response action as required by this Section, and
25 EPA takes that action instead, Respondents shall reimburse EPA
26 for all costs of the response action not inconsistent with the
27 NCP. Respondents shall pay the response costs in the manner

described in Section XXIV of this Order, within thirty (30) days of Respondents' receipt of EPA's demand for payment and EPA's certified Agency Financial Management Systems summary data (Spur Report) or other EPA-certified summary of the costs incurred.

41. Nothing in the preceding Paragraph shall be deemed to limit any authority of the United States to take, direct, or order all appropriate action to protect human health and the environment or to prevent, abate, or minimize an actual or threatened release of hazardous substances on, at, or from the Site.

XIV. EPA REVIEW OF SUBMISSIONS

42. After review of any deliverable, plan, report or other item which is required to be submitted for review and approval pursuant to this Order, including review by the California Department of Toxic Substances Control, the California Department of Health Services, the RWQCB, or the City of Glendale, if applicable, EPA may: (a) approve the submission; (b) approve the submission with modifications imposed by EPA; (c) disapprove the submission and direct Respondents to re-submit the document after incorporating EPA's comments; or (d) disapprove the submission and assume responsibility for performing all or any part of the response action. As used in this Order, the terms "approval by EPA," "EPA approval," or a similar term means the action described in subparagraphs (a) or (b) of this Paragraph.

43. In the event of approval or approval with modifications by EPA, Respondents shall proceed to take any action required by the plan, report, or other item, as approved or modified by EPA.

44. Upon receipt of a notice of disapproval or a request for a

1 modification, Respondents shall, within twenty-one (21) days or
2 such longer time as specified by EPA in its notice of disapproval
3 or request for modification, correct the deficiencies and re-
4 submit the plan, report, or other item for approval.

5 Notwithstanding the notice of disapproval, or approval with
6 modifications, Respondents shall proceed, at the direction of
7 EPA, to take any action required by any non-deficient portion of
8 the submission.

9 45. If any submission is not approved by EPA, Respondents shall
10 be deemed to be in violation of this Order.

11 XV. PROGRESS REPORTS

12 46. In addition to the other deliverables set forth in this
13 Order and the SOW, Respondents shall provide monthly progress
14 reports to EPA with respect to actions and activities undertaken
15 pursuant to this Order. The progress reports shall be submitted
16 on or before the tenth (10th) day of each month following the
17 Effective Date of this Order and in accordance with the Statement
18 of Work, Section II, Paragraph C.6 and D.7. Respondent's
19 obligation to submit progress reports continues until EPA gives
20 Respondents written notice under paragraph 34, subparagraph b.
21 At a minimum these progress reports shall: (1) describe the
22 actions which have been taken to comply with this Order during
23 the prior month; (2) include all results of sampling and tests
24 and all other data received by Respondents and not previously
25 submitted to EPA; (3) describe all work planned for the next two
26 months with schedules relating such work to the overall project
27 schedule for RA completion; (4) describe all problems encountered

1 and any anticipated problems, any actual or anticipated delays,
2 and any solutions developed and implemented to address any actual
3 or anticipated problems or delays; and (5) provide quality
4 assurance documentation for the preceding month that documents
5 compliance with Section XVI of this Order (Quality Assurance,
6 Sampling and Data Analysis).

7 XVI. QUALITY ASSURANCE, SAMPLING AND DATA ANALYSIS

8 47. Respondents shall use the quality assurance, quality
9 control, and chain of custody procedures described in the "EPA
10 NEIC Policies and Procedures Manual," May 1978, revised May 1986,
11 EPA-330/9-78-001-R; EPA's "Guidelines and Specifications for
12 Preparing Quality Assurance Program Documentation," June 1, 1987;
13 EPA's "Data Quality Objective Guidance," (EPA/540/G87/003 and
14 004); EPA Requirements for Quality Assurance Project Plans for
15 Environmental Data Operations, EPA QA/R-5, August 1994; and any
16 amendments to these documents, while conducting all sample
17 collection and analysis activities required herein by any plan.
18 To provide quality assurance and maintain quality control,
19 Respondents shall:

- 20 a. Use only laboratories which have a documented Quality
21 Assurance Program that complies with EPA guidance
22 document QAMS-005/80.
23 b. Ensure that the laboratory used by the Respondents for
24 analyses performs according to a method or methods
25 deemed satisfactory to EPA and submits all protocols to
26 be used for analyses to EPA at least sixty (60) days
27 before beginning analysis.
28 c. Ensure that EPA personnel and EPA's authorized
representatives are allowed access to the laboratory
and personnel utilized by the Respondents for analyses.

1 48. Respondents shall notify EPA not less than fourteen (14)
2 days in advance of any sample collection activity. At the
3 request of EPA, Respondents shall allow split or duplicate
4 samples to be taken by EPA or its authorized representatives, of
5 any samples collected by Respondents with regard to the Site or
6 pursuant to the implementation of this Order. In addition, EPA
7 shall have the right to take any additional samples that EPA
8 deems necessary.

9 XVII. COMPLIANCE WITH APPLICABLE LAWS

10 49. All activities by Respondents pursuant to this Order shall
11 be performed in accordance with the requirements of all federal
12 and state laws and regulations. EPA has determined that the
13 activities contemplated by this Order are consistent with the
14 National Contingency Plan (NCP).

15 50. Except as provided in section 121(e) of CERCLA, 42 U.S.C.
16 § 9621(e), and the NCP, no permit shall be required for any
17 portion of the Work conducted entirely on-Site. Where any
18 portion of the Work requires a federal or State permit or
19 approval, Respondents shall submit timely applications and take
20 all other actions necessary to obtain and to comply with all such
21 permits or approvals.

22 51. This Order is not, and shall not be construed to be, a
23 permit issued pursuant to any federal or State statute or
24 regulation.

25 52. All materials removed from the Site shall be disposed of or
26 treated at a facility approved by EPA's RPM and in accordance
27 with section 121(d)(3) of CERCLA, 42 U.S.C. § 9621(d)(3); with
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1 the U.S. EPA Off-Site Rule, 40 C.F.R. § 300.440 et seq., 58 Fed.
2 Reg. 49200 (September 22, 1993); and with all other applicable
3 federal, state, and local requirements.

4 XVIII. REMEDIAL PROJECT MANAGER

5 53. All communications, whether written or oral, from
6 Respondents to EPA shall be directed to EPA's RPM or Alternate
7 RPM. Respondents shall submit to EPA three copies of all
8 documents, including plans, reports, and other correspondence,
9 which are developed pursuant to this Order, and shall send these
10 documents by overnight mail.

11 EPA's RPM is:

12 Duane James
13 United States Environmental Protection Agency
14 Region IX
15 75 Hawthorne St., SFD-7-4
16 San Francisco, CA 94105
17 (415) 744-2253
18 james.duane@epamail.epa.gov

16 EPA's Alternate RPM is:

17 Diane Strassmaier
18 United States Environmental Protection Agency
19 Region IX
20 75 Hawthorne St., SFD-7-4
21 (415) 744-2253
22 strassmaier.diane@epamail.epa.gov

20 Respondents shall simultaneously send a copy of all such
21 documents to the following persons.

22 EPA's Contractor:

23 Larry Beaton
24 CH2M Hill
25 1111 Broadway, Suite 1200
26 P.O. Box 12681
27 Oakland, CA 94604-2681
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Hamid Saebfar, Chief
Site Mitigation Cleanup Operations
Department of Toxic Substances Control
Southern California Branch
1011 N. Grandview Avenue
Glendale, CA 91201

Don Froelich
City of Glendale
Public Service Department
141 N. Glendale Avenue, 4th level
Glendale, CA 91206

55. EPA's RPM and Alternate RPM shall have the authority lawfully vested in a Remedial Project Manager (RPM) and On-Scene Coordinator (OSC) by the National Contingency Plan, 40 C.F.R. Part 300. EPA's RPM or Alternate RPM shall have authority, consistent with the National Contingency Plan, to halt any work required by this Order, and to take any necessary response action.

1 56. Respondents previously selected a Project Coordinator
2 pursuant to the requirements of Order No. 97-06. If at any time
3 Respondents propose to designate a different Project Coordinator,
4 Respondents shall submit the name, qualifications, address, and
5 telephone number of the proposed new Project Coordinator to EPA
6 for review and approval at least fifteen (15) days prior to
7 changing the Project Coordinator. Respondents' Project
8 Coordinator shall be responsible for overseeing Respondents'
9 implementation of this Order. Respondents' selection of a new
10 Project Coordinator shall be subject to EPA approval.

11 XIX. ACCESS TO SITE NOT OWNED BY RESPONDENTS

12 57. If the Site, the off-Site area that is to be used for
13 access or response activities, property where documents required
14 to be prepared or maintained by this Order are located, or other
15 property subject to or affected by the cleanup, is owned in whole
16 or in part by parties other than those bound by this Order,
17 Respondents will obtain, or use their best efforts to obtain,
18 site access agreements from the present owner(s) in accordance
19 with the Statement of Work, Section IV, Paragraph C. Such
20 agreements shall provide access for EPA, its contractors and
21 oversight officials, the State of California agencies and their
22 contractors, and Respondents or Respondents' authorized
23 representatives and contractors, and such agreements shall
24 specify that Respondents are not EPA's representative with
25 respect to liability associated with Site activities.
26 Respondents shall save and hold harmless the United States and
27 its officials, agents, employees, contractors, subcontractors, or

1 representatives for or from any and all claims or causes of
2 action or other costs incurred by the United States including but
3 not limited to attorneys fees and other expenses of litigation
4 and settlement arising from or on account of acts or omissions of
5 Respondents, their officers, directors, employees, agents,
6 contractors, subcontractors, and any persons acting on their
7 behalf or under their control, in carrying out activities
8 pursuant to this Order, including any claims arising from any
9 designation of Respondents as EPA's authorized representatives
10 under section 104(e) of CERCLA, 42 U.S.C. § 9604(e). Copies of
11 such agreements shall be provided to EPA prior to Respondents'
12 initiation of field activities. Respondents' best efforts shall
13 include providing reasonable compensation to any off-Site
14 property owner. If access agreements are not obtained within the
15 time referenced above, Respondents shall immediately notify EPA
16 of the failure to obtain access. Subject to the United States'
17 non-reviewable discretion, EPA may use its legal authorities to
18 obtain access for the Respondents, may perform those response
19 actions with EPA contractors at the property in question, or may
20 terminate the Order if Respondents cannot obtain access
21 agreements. If EPA performs those tasks or activities with
22 contractors and does not terminate the Order, Respondents shall
23 perform all other activities not requiring access to that
24 property, and shall reimburse EPA, pursuant to Section XXIV of
25 this Order, for all costs incurred in performing such activities.
26 Respondents shall integrate the results of any such tasks
27 undertaken by EPA into its reports and deliverables.

1 58. Respondents shall reimburse EPA, pursuant to Section XXIV of
2 this Order, for all response costs (including attorneys fees)
3 incurred by the United States to obtain access for Respondents.

4 XX. SITE ACCESS AND DATA/DOCUMENT AVAILABILITY

5 59. Respondents shall allow EPA and its authorized
6 representatives and contractors to enter and freely move about
7 all property at the Site and off-Site areas subject to or
8 affected by the Work under this Order or where documents required
9 to be prepared or maintained by this Order are located, for the
10 purposes of inspecting conditions, activities, the results of
11 activities, records, operating logs, and contracts related to the
12 Site or Respondents and its representatives or contractors
13 pursuant to this Order; reviewing the progress of the Respondents
14 in carrying out the terms of this Order; conducting tests as EPA
15 or its authorized representatives or contractors deem necessary;
16 using a camera, sound recording device or other documentary type
17 equipment; and verifying the data submitted to EPA by
18 Respondents. Respondents shall allow EPA and its authorized
19 representatives to enter the Site, and to inspect and copy all
20 records, files, photographs, documents, sampling and monitoring
21 data, and other writings related to work undertaken in carrying
22 out this Order. Nothing herein shall be interpreted as limiting
23 or affecting EPA's right of entry or inspection authority under
24 federal law.

25 60. Respondents may assert a claim of business confidentiality
26 covering part or all of the information submitted to EPA pursuant
27 to the terms of this Order under 40 C.F.R. § 2.203, provided such
28

1 claim is not inconsistent with section 104(e) (7) of CERCLA, 42
2 U.S.C. § 9604(e) (7) or other provisions of law. This claim shall
3 be asserted in the manner described by 40 C.F.R. § 2.203(b) and
4 substantiated by Respondents at the time the claim is made.
5 Information determined to be confidential by EPA will be given
6 the protection specified in 40 C.F.R. Part 2. If no such claim
7 accompanies the information when it is submitted to EPA, it may
8 be made available to the public by EPA or the State without
9 further notice to the Respondents. Respondents shall not assert
10 confidentiality claims with respect to any data related to Site
11 conditions, sampling, or monitoring.

12 61. Respondents shall maintain for the period during which this
13 Order is in effect, an index of documents that Respondents claims
14 contain confidential business information. The index shall
15 contain, for each document, the date, author, addressee, and
16 subject of the document. Upon written request from EPA,
17 Respondents shall submit a copy of the index to EPA.

18 XXI. RECORD PRESERVATION

19 62. Respondents shall provide to EPA upon request, copies of all
20 documents and information within their possession and/or control
21 or that of their contractors or agents relating to activities at
22 the Site or to the implementation of this Order, including but
23 not limited to sampling, analysis, chain of custody records,
24 manifests, trucking logs, receipts, reports, sample traffic
25 routing, correspondence, or other documents or information
26 related to the Work. Respondents shall also make available to
27 EPA for purposes of investigation, information gathering, or

1 testimony, their employees, agents, or representatives with
2 knowledge of relevant facts concerning the performance of the
3 Work.

4 63. Until ten (10) years after EPA provides notice pursuant to
5 paragraph 34(b), each Respondent shall preserve and retain all
6 records and documents in its possession or control, including the
7 documents in the possession or control of their contractors and
8 agents on and after the Effective Date of this Order that relate
9 in any manner to the Site. At the conclusion of this document
10 retention period, Respondents shall notify the United States at
11 least ninety (90) calendar days prior to the destruction of any
12 such records or documents, and upon request by the United States,
13 Respondents shall deliver any such records or documents to EPA.

14 64. Until ten (10) years after EPA provides notice pursuant to
15 paragraph 34(b) of this Order, Respondents shall preserve, and
16 shall instruct their contractors and agents to preserve, all
17 documents, records, and information of whatever kind, nature or
18 description relating to the performance of the Work. Upon the
19 conclusion of this document retention period, Respondents shall
20 notify the United States at least ninety (90) days prior to the
21 destruction of any such records, documents or information, and,
22 upon request of the United States, Respondents shall deliver all
23 such documents, records and information to EPA.

24 65. Respondents shall not alter, mutilate, discard, destroy or
25 otherwise dispose of any records, documents or other information
26 relating to their potential liability with regard to the Site
27 since notification of potential liability by the United States or
28

1 the State or the filing of suit against it regarding the Site.
2 Respondents shall not dispose of any such documents without prior
3 approval by EPA. Respondents shall, upon EPA's request and at no
4 cost to EPA, deliver the documents or copies of the documents to
5 EPA.

6 XXII. DELAY IN PERFORMANCE

7 66. Any delay in performance of this Order that, in EPA's
8 judgment, is not properly justified by Respondents under the
9 terms of this paragraph shall be considered a violation of this
10 Order. Any delay in performance of this Order shall not affect
11 Respondents' obligations to fully perform all obligations under
12 the terms and conditions of this Order.

13 67. Respondents shall notify EPA of any delay or anticipated
14 delay in performing any requirement of this Order. Such
15 notification shall be made by telephone to EPA's RPM or Alternate
16 RPM within forty-eight (48) hours after Respondents first knew or
17 should have known that a delay might occur. Respondents shall
18 adopt all reasonable measures to avoid or minimize any such
19 delay. Within five (5) business days after notifying EPA by
20 telephone, Respondents shall provide written notification fully
21 describing the nature of the delay, any justification for delay,
22 any reason why Respondents should not be held strictly
23 accountable for failing to comply with any relevant requirements
24 of this Order, the measures planned and taken to minimize the
25 delay, and a schedule for implementing the measures that will be
26 taken to mitigate the effect of the delay. Increased costs or
27 expenses associated with implementation of the activities called
28

1 for in this Order are not a justification for any delay in
2 performance.

3 XXIII. ASSURANCE OF ABILITY TO COMPLETE WORK

4 68. Respondents shall demonstrate their ability to complete the
5 Remedial Action Work and to pay all claims that arise from the
6 performance of the Work by obtaining and presenting to EPA within
7 thirty (30) days of the Effective Date of this Order, one of the
8 following: (1) a performance bond; (2) a letter of credit; (3) a
9 guarantee by a third party; or (4) internal financial information
10 to allow EPA to determine that Respondents have sufficient assets
11 available to perform the Remedial Action Work. Respondents shall
12 demonstrate financial assurance in an amount no less than the
13 estimate of cost for the remedial action contained in the Final
14 Design for the Site. If Respondents seek to demonstrate ability
15 to complete the Remedial Action Work by means of internal
16 financial information, or by guarantee of a third party, they
17 shall re-submit such information annually, on the anniversary of
18 the Effective Date of this Order. If EPA determines that such
19 financial information is inadequate, Respondents shall, within
20 thirty (30) days after receipt of EPA's notice of determination,
21 obtain and present to EPA for approval one of the other three
22 forms of financial assurance listed above.

23 69. At least seven (7) days prior to commencing any work at the
24 Site pursuant to this Order, Respondents shall submit to EPA a
25 certification that Respondents or their contractors and
26 subcontractors have adequate insurance coverage or have
27 indemnification for liabilities for injuries or damages to
28

1 persons or property which may result from the activities to be
2 conducted by or on behalf of Respondents pursuant to this Order.
3 Respondents shall ensure that such insurance or indemnification
4 is maintained for the duration of the Work required by this
5 Order.

6 XXIV. REIMBURSEMENT OF RESPONSE COSTS

7 70. Respondents shall reimburse EPA, upon written demand, for
8 all response costs incurred by the United States in overseeing
9 Respondents' implementation of the requirements of this Order or
10 in performing any response action which Respondents fail to
11 perform in compliance with this Order. EPA may submit to
12 Respondents on a periodic basis an accounting of all response
13 costs incurred by the United States with respect to this Order.
14 EPA's certified Agency Financial Management System summary data
15 (SPUR Reports), or such other summary as certified by EPA, shall
16 serve as a sufficient basis for payment demands.

17 71. Respondents shall, within thirty (30) days of receipt of
18 each EPA accounting, remit a certified or cashier's check for the
19 amount of those costs. Interest shall accrue from the later of
20 the date that payment of a specified amount is demanded in
21 writing or the date of the expenditure. The interest rate is the
22 rate established by the Department of the Treasury pursuant to 31
23 U.S.C. § 3717 and 4 C.F.R. § 102.13.

24 72. Payment shall be made to the United States in accordance
25 with instructions provided by the United States to Respondents at
26 the time it issues payment demands. The amounts paid to EPA
27 pursuant to this Order shall be deposited in a special account to
28

1 be retained and used to conduct or finance response actions at or
2 in connection with the Site ("the Glendale OUs Special Account").
3 Any balance remaining in the Glendale OUs Special Account after
4 completion of the response actions at or in connection with the
5 Site shall be deposited in the EPA Hazardous Substance Superfund.

6 73. Checks shall be made payable to the Hazardous Substances
7 Superfund and shall include the name of the Site (Crystal
8 Springs, Glendale North and South Operable Units), the Site
9 identification number N2, the account number (if one has been
10 identified by EPA) and the title of this Order. EPA will provide
11 Respondents with additional identification information, if
12 necessary, at the time of issuing its payment demand(s). Checks
13 shall be forwarded to:

14 U.S. Environmental Protection Agency
15 Region IX Superfund Accounting
16 P.O. Box 360863M
Pittsburgh, PA 15251

17 74. Respondents shall send copies of each transmittal letter and
18 check to the EPA's RPM.

19 XXV. UNITED STATES NOT LIABLE

20 75. The United States, by issuance of this Order, assumes no
21 liability for any injuries or damages to persons or property
22 resulting from acts or omissions by Respondents, or their
23 directors, officers, employees, agents, representatives,
24 successors, assigns, contractors, or consultants in carrying out
25 any action or activity pursuant to this Order. Neither EPA nor
26 the United States may be deemed to be a party to any contract
27 entered into by Respondents or their directors, officers,
28

1 employees, agents, successors, assigns, contractors, or
2 consultants in carrying out any action or activity pursuant to
3 this Order.

4 XXVI. ENFORCEMENT AND RESERVATIONS

5 76. EPA reserves the right to bring an action against
6 Respondents under section 107 of CERCLA, 42 U.S.C. § 9607, for
7 recovery of any response costs incurred by the United States
8 related to this Order, to the Site, and/or to the San Fernando
9 Valley Basin and not reimbursed by Respondents. This reservation
10 shall include but not be limited to past costs, direct costs,
11 indirect costs, the costs of oversight, and the costs of
12 compiling the cost documentation to support oversight cost
13 demand, as well as accrued interest as provided in section 107(a)
14 of CERCLA.

15 77. Notwithstanding any other provision of this Order, at any
16 time during the response action, EPA may perform its own studies,
17 complete the response action (or any portion of the response
18 action) as provided in CERCLA and the NCP, and seek reimbursement
19 from Respondents for its costs, or seek any other appropriate
20 relief.

21 78. Nothing in this Order shall preclude EPA from taking any
22 additional enforcement actions, including modification of this
23 Order or issuance of additional orders, and/or additional
24 remedial or removal actions as EPA may deem necessary, or from
25 requiring Respondents in the future to perform additional
26 activities pursuant to CERCLA, 42 U.S.C. § 9606(a), et seq., or
27 any other applicable law. Respondents shall be liable under
28

1 CERCLA section 107(a), 42 U.S.C. § 9607(a), for the costs of any
2 such additional actions.

3 79. Notwithstanding any provision of this Order, the United
4 States hereby retains all of its information gathering,
5 inspection and enforcement authorities and rights under CERCLA,
6 RCRA and any other applicable statutes or regulations.

7 80. Respondents shall be subject to civil penalties under
8 section 106(b) of CERCLA, 42 U.S.C. § 9606(b), of not more than
9 \$25,000 for each day in which Respondents willfully violates, or
10 fails or refuses to comply with this Order without sufficient
11 cause. In addition, failure to properly provide response action
12 under this Order, or any portion hereof, without sufficient
13 cause, may result in liability under section 107(c)(3) of CERCLA,
14 42 U.S.C. § 9607(c)(3), for punitive damages in an amount at
15 least equal to, and not more than three times the amount of any
16 costs incurred by the Fund as a result of such failure to take
17 proper action.

18 81. Nothing in this Order shall constitute or be construed as a
19 release from any claim, cause of action or demand in law or
20 equity against any person for any liability it may have arising
21 out of or relating in any way to the Site.

1 82. If a court issues an order that invalidates any provision of
2 this Order or finds that Respondents, or any of them, have
3 sufficient cause not to comply with one or more provisions of
4 this Order, Respondents shall remain bound to comply with all
5 provisions of this Order not invalidated by the court's order.

6 XXVII. ADMINISTRATIVE RECORD

7 83. Upon request by EPA, Respondents must submit to EPA all
8 documents related to the selection of the response action for
9 possible inclusion in the administrative record file.

10 XXVIII. EFFECTIVE DATE AND COMPUTATION OF TIME

11 84. This Order shall be effective fourteen (14) days after the
12 Order is signed by the Division Director for the Superfund
13 Division, Region IX, EPA. All times for performance of ordered
14 activities shall be calculated from this Effective Date.

15 XXIX. OPPORTUNITY TO CONFER

16 85. Respondents may, within ten (10) days after the date this
17 Order is signed, request a conference with EPA's RPM and
18 Assistant Regional Counsel assigned to the Site to discuss this
19 Order. If requested, the conference shall occur on Wednesday,
20 October 9, 1997, at 75 Hawthorne Street, 16th floor, San
21 Francisco, California, at 10:00 a.m.

22 86. The purpose and scope of the conference shall be limited to
23 issues involving the implementation of the response actions
24 required by this Order and the extent to which Respondents intend
25 to comply with this Order. This conference is not an evidentiary
26 hearing, and does not constitute a proceeding to challenge this
27 Order. It does not give Respondents a right to seek review of

1 | this Order, to negotiate any of the terms and provisions of this
2 | Order, or to seek resolution of potential liability, and no
3 | official stenographic record of the conference will be made. At
4 | any conference held pursuant to a Respondents' request,
5 | Respondents may appear in person or by an attorney or other
6 | representative.

7 | 87. Requests for a conference must be by telephone followed by
8 | written confirmation mailed that day to Marie M. Rongone,
9 | Assistant Regional Counsel, 75 Hawthorne Street, ORC-3, San
10 | Francisco, California, 94105, (415) 744-1313, with a copy of the
11 | written confirmation to Duane James, Remedial Project Manager, 75
12 | Hawthorne Street, SFD-7-4, San Francisco, California, 94105.

13 |
14 | So Ordered, this 30th day of September, 1997.

15 |
16 | BY: for KT Michael Stealy
17 | Director, Superfund Division
18 | U.S. Environmental Protection Agency, Region IX
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Appendix 1
Respondents to Unilateral Administrative Order 97-18
Glendale North and South Operable Units
Crystal Springs (Area 2) Superfund Site
San Fernando Valley, California

1.) A.G. Layne, Inc. -- 4578 Brazil Street, Los Angeles, California

A.G. Layne, Inc. operator, 1961-current*

Charles C. Litchfield owner, 1961-current

2.) Access Controls, Inc. -- 173 West Magnolia Boulevard, Burbank, California

Access Controls, Inc. operator, 1974-1992*; **

Ranchito Allegra, a partnership of Eli Meshulam and Clara Saul
 owner, 1990-current

3.) Admiral Controls, Inc. -- 4516 Cutter Street, Los Angeles, California

Admiral Controls, Inc. operator, 1971-current*

The David J. Higgins Trust
 owner, 1992-current

David J. Higgins owner, 1971-1992

4.) American Metaseal Company, 701 West Broadway, Glendale, California

American Metaseal Company
 operator, 1956-current

5.) Avibank Manufacturing, 210 South Victory Boulevard, Burbank, California

Avibank Manufacturing operator and owner, 1972-current

* Current Member -- Glendale Respondents Group

** Releases and/or the threat of releases occurred at the facility during this time period.

6.) Benco Enterprises, Inc. -- 4600 Brazil Street, Los Angeles, California

Charles C. Litchfield owner, 1956-current

7.) Brock Bus Lines -- 722 West Wilson Avenue, Glendale, California

Brock Bus Lines, Inc. operator, 1965-current*

The Binzley Revocable Family Trust

owner, 1986-current

8.) Burbank Steel Treating, Inc., 416 South Varney St., Burbank, California

Burbank Steel Treating, Inc.
operator, 1969-current*

9.) Coltec Industries, Inc. (Menasco Aerosystems Division), First and Cedar Streets, Burbank, California

Coltec Industries, Inc., Menasco Aerosystems Division
operator and owner, 1988-current*

10.) Commercial Inspection Services, 156 Providencia Avenue, Burbank, California

Commercial Inspection Services
operator, 1980-current

Mag Investments, Ltd. owner, 1984-current

11.) Courtaulds Aerospace, Inc., 5430 San Fernando Road, Glendale, California

Courtaulds Aerospace, Inc.
operator, 1950-current*

* Current Member -- Glendale Respondents Group

** Releases and/or the threat of releases occurred at the facility during this time period.

Owners and Investors, 5430 San Fernando Road
1989-current

George and Kathryn Hicker as joint tenants;
Carl M. Buck, Jr. as trustee of the Matthew King and Amanda King
Buck Trust, U/A dated August 9, 1989;
Carl M. Buck Profit Sharing Plan and Trust;
Harry U. Kerdman, Trustee of the Kerdman Family Trust of 1989;
Harry and Florence Kerdman;
Jeffrey J. Players and Betty Players, as joint tenants;
Frank Hamblen;
Bernard Fine;
Gretchen B. Hauswald;
Ruth G. Troustorff, Trustee of the Ruth G. Troustorff Revocable
Trust, U/A dated February 7, 1989; and
Irl J. Karsen

12.) Datron, Inc., 4585 Electronics Place, Los Angeles,
California

Datron, Inc., Electrical Engineering and Manufacturing
Company Division ("EEMCO")
operator and owner, 1971*
-current*

13.) Drilube Company, 711 West Broadway and 718 West Wilson
Avenue, Glendale, California

Drilube Company operator, 1945-current
Walter J. Fairfax owner, 1990-current

14.) Excello Plating, 4057 Goodwin Avenue, Los Angeles,
California

Excello Plating operator, 1956-current*

15.) Fiber-Resin Corp., 170 West Providencia Avenue, Burbank,
California

Fiber-Resin Corp. operator, 1988-current, successor
to Fiber-Resin Corp., the operator
of the facility from approximately
1958 to 1988.**

The Thomson Family Trust, and Joseph A. And Virginia L.
Thomson as trustees,
owner, 1986-current

* Current Member -- Glendale Respondents Group

** Releases and/or the threat of releases occurred at the
facility during this time period.

16.) Fotokem Industries, Inc., 2800 West Olive Avenue, Burbank, California

Fotokem Industries, Inc.

operator, 1963-current*

The Broderson Investment Co.

owner, 1993-current (and previous)

17.) GCG Corporation, 608 Ruberta Avenue, Glendale, California

GCG Corporation

operator, 1965-current

Cosmic Investments, Inc.

owner; owner of portion of property since 1969, owner of entire property since 1988

18.) Grant Products, Inc., 700 Allen Avenue, Glendale, California

Grant Products, Inc.

operator, 1989-current; successor to the operator(s) of the facility since 1979**

The Peterson Family Trust, Arnold E. and Margaret R. Peterson in their capacities as trustees

owner, 1988-current

19.) Haskel, Inc., 100 East Graham Place, Burbank, California

Haskel, Inc.

operator, 1964-current*

20.) Hawkes Finishing, 4626 Brazil Street, Los Angeles, California

Litchfield, Hilton, Cameron Trust

owner, current

21.) International Electronic Research Corporation, 135 West Magnolia Boulevard, Burbank, California

International Electronic Research Corporation

operator, 1956-current*

* Current Member -- Glendale Respondents Group

** Releases and/or the threat of releases occurred at the facility during this time period.

22.) ITT Fluid Products Corporation, 801 Allen Avenue and 1200 Flower Street, Burbank, California

ITT Industries, Inc.

operator, 1971-current*

ITT Industries, Inc.

owner, 1963-current*

23.) Lanco Metals, 747 West Wilson Avenue, Glendale, California

Lanco Metals

operator, 1945-1962, 1989-1993**

24.) Lockheed Martin Corporation (Lockheed Aeronautical Systems Co., Plant B-1), 2300 Empire Avenue, Burbank, California

Lockheed Martin Corporation

owner, 1995-current*

operator, approx. 1940-current*

25.) Lockheed Martin Librascope Corp., 727 and 833 Sonora Avenue, Glendale, California

Lockheed Martin Librascope Corp.

operator, 1949-1987*; **

Lockheed Martin Librascope Corporation

owner and operator, 1996-current*; **

26.) Pacific Bell Corporation, 720 Western Avenue, Glendale, California

Pacific Bell Corporation

operator, 1947-current*

27.) Philips Components, Discrete Products Division of North American Philips Corporation, 4561 Colorado Boulevard, Los Angeles, California

Philips Components, Discrete Products Division of North American Philips Corporation

operator, 1975-1988*; **

* Current Member -- Glendale Respondents Group

** Releases and/or the threat of releases occurred at the facility during this time period.

28.) Ralph's Grocery Company, 4841 San Fernando Road, Los Angeles, California

Ralph's Grocery Company, Inc.
owner and operator, 1988-current*

29.) Regal Cleaners/Mersola Properties, 40 East Verdugo Avenue, Burbank, California

Credit Managers Association, Inc.
owner and operator, 1993-current*

30.) SAI Industries, Inc., 631 Allen Avenue, Glendale, California

SAI Industries, Inc. owner, 1959-1967, 1975-1978, 1985-current*

operator, 1959-current*

31.) Southern Pacific Transportation Co., 201 North Front Street, Burbank, California

Southern Pacific Transportation Co.
owner since 1873 of portion; since 1877 of entire property*

operator, 1927-1955.*;**

32.) Sterer Engineering and Manufacturing Company, 4690 Colorado Boulevard, Los Angeles, California (Vickers Incorporated)

Sterer Engineering and Manufacturing Company

owner, 1974-current*
operator, 1958-current*

33.) Sunland Chemical and Research Corporation, 5447 San Fernando Road, Los Angeles, CA

Sunland Chemical and Research Corporation
owner and operator,
1963-current*

34.) Vorelco, Inc., 825 North Victory Boulevard, Burbank, California

Vorelco, Inc. (a division of
Volkswagen of America) owner, 1981-1992*;**

* Current Member -- Glendale Respondents Group
** Releases and/or the threat of releases occurred at the facility during this time period.

35.) W&W Manufacturing Company, Inc., 426 Magnolia Avenue,
Glendale, California

W&W Manufacturing Company, Inc.
operator, 1957-current*

36.) Walt Disney Productions, 500 South Buena Vista Street,
Burbank, California

Walt Disney Company, Inc.
owner, 1938-current*
operator, 1938-current*

37.) Western Magnetics/Prudential, 1733 South Flower Street,
Glendale, California

Magnetic Heads, Inc. operator, 1968-1991**

Prudential Insurance Company of America
owner, 1977-current*

38.) Westform Industries, 4552 West Colorado Boulevard, Los
Angeles, California

Westform Industries operator, 1969-current

39.) Zero Enclosures, 777 North Front Street, Burbank,
California

Zero Corporation owner since 1961, 1965 and 1970 of
portions and later entire property*
operator, 1961-1991**

40.) 640 Paula Avenue, Glendale, California

Prudential Insurance Company of
America owner, 1962-1997*;**

* Current Member -- Glendale Respondents Group

** Releases and/or the threat of releases occurred at the
facility during this time period.

Appendix 2

GLENDALE NORTH AND SOUTH OPERABLE UNITS REMEDIAL ACTION STATEMENT OF WORK

I. General Provisions

A. Definitions: All terms defined in the Unilateral Administrative Order ("Order"), unless otherwise defined herein, have the same meaning when used herein.

B. Warranty: EPA has exercised its best efforts to include in this Statement of Work ("SOW") all activities necessary to fulfill the remedial action work requirements. However, nothing in this SOW or any deliverable approved by EPA pursuant hereto constitutes a warranty or representation, either express or implied, by the United States that compliance with this document and/or deliverables approved pursuant to this document will result in the achievement of the Performance Standards that the Respondents are required to meet by the Order. Nothing in this SOW or deliverables approved pursuant hereto shall be deemed to limit EPA's right pursuant to Paragraph 32 of the Order.

C. Site Description: See Section II (Findings of Fact) of the Order.

D. Remedial Action Work: Remedial Action Work, as defined in the Order, Section VI, Paragraph 16.r, is defined as the Work

required by the Order and this SOW to be undertaken by the Respondents, to construct and implement the Final Design approved by EPA pursuant to the Administrative Consent Order for Remedial Design--Glendale North and South Operable Units ("OUs") of the San Fernando Valley (U.S. EPA Docket No. 94-11). The Remedial Action Work includes the actual construction and operation of the remedy, in accordance with the Final Design Report ("FDR"), the Glendale OU RODs, the National Contingency Plan ("NCP"), and Section IX (Work to be Performed) of the Order.

E. EPA Approval: EPA "approval" of the Respondents' Remedial Action Work Plan ("RAWP"), Focused Remedial Action Work Plan ("FRAWP"), specifications, processes, and reports; the Project Coordinator, Constructor, Resident Engineer, Remedial Action contractors and subcontractors, and Independent Quality Assurance Team ("IQAT"); and other submittals or people within the context of the Order is administrative in nature and designed to allow the Respondents to proceed. EPA's approval of deliverables does not constitute a warranty or representation, either express or implied, by the United States that compliance with such deliverables will result in the achievement of the Performance Standards that the Respondents are required to meet by the Order, and shall not excuse Respondents from penalties for

failure to meet such Performance Standards.

F. **Construction Manager**: Representative of the Respondents assigned to administer and oversee the construction contract. The construction manager performs the following roles: mediates conflicts at the site, reviews and evaluates schedule deviations, reviews and approves invoices, and secures and administers the construction contracts. The RPM communicates directly with the construction manager.

G. **Resident Engineer**: A design firm employee that serves as the designer's representative during construction, installation, and start-up phases of Remedial Action. The Resident Engineer, as a continuous presence at the site, acts directly on behalf of the designer to ensure that construction meets the requirements of the FDR and reports to the Respondents. The Resident Engineer may also function as the Construction Manager, if desired by the Respondents and approved by EPA.

H. **Constructor**: The contractor that performs the construction work for the Remedial Action.

I. **Project Coordinator**: Representative of the Respondents responsible for coordinating the Respondents' Remedial Action Work.

II. Schedule

A. Dates: The schedule of deliverables for this SOW is presented in Attachment 1 to this SOW and shall be referred to as the Work Schedule. This Work Schedule includes EPA's independent approximations of its review times; however, failure by EPA to review a deliverable within the estimated time shall not constitute a violation of the Order by the United States or provide Respondents with any claim or defense whatsoever. Unless excused under Section XXII of the Order (Delay in Performance), or given an extension by EPA, the Respondents are required to submit deliverables within the time periods stated in the Work Schedule.

B. Work to be Performed: The following descriptions of Remedial Action Work deliverables are meant as a framework for the content of each deliverable. All draft deliverables must contain sufficient information for EPA's detailed technical review and comment. Open discussions among the Respondents and EPA is required to assure that deliverables contain sufficient detail. For the purposes of the Order and this SOW, the work to be performed consists of construction activities, and operation and maintenance (O&M) of the Remedial Facilities (see definition in Section VI, Paragraph 16.u, of the Order). These activities

include implementing the RAWP and FRAWP; selecting all subcontractors; completing all necessary permitting, property acquisition and lease agreements; and finalizing negotiations with the City of Glendale concerning all matters which must necessarily be resolved for the City of Glendale to accept the extracted, treated groundwater.

C. Construction of Remedial Action:

1. **Well Construction on DreamWorks' Property:** Within 7 days of the Effective Date of the Order, if not already begun, the Respondents shall begin construction of three wells on DreamWorks' property. Construction will proceed according to the FRAWP which EPA approved on August 19, 1997. Construction shall be completed within 140 days of the Effective Date of the Order.

2. **Water Treatment Plant Site Preparation:** Within 14 days of the Effective Date of the Order, the Respondents shall begin the water treatment plant's site preparation activities. Site preparation activities include construction fencing, site demolition, sheet piling, soil excavation, and backfill and compaction. All permits and subcontractors for these activities shall be secured within 14 days of the Effective Date of the Order.

3. **Pre-construction Conference:** Prior to construction of the water treatment plant's underground piping/ductwork, the Respondents shall schedule and initiate a pre-construction conference. At a minimum, the invitees shall include the Respondents and/or their representatives, including the Respondents' Project Coordinator; the EPA Remedial Project Manager and any designated EPA Oversight Representatives; the Respondents' Remedial Design Engineer; the Respondents' Resident Engineer; the IQAT; and representatives of the City of Glendale, California Department of Health Services ("DHS"), California Regional Water Quality Control Board ("RWQCB"), California Department of Toxics Control Substances ("DTSC"), and the South Coast Air Quality Management District ("SCAQMD").

The main purpose of the pre-construction conference will be to establish relationships among these parties, including lines of communication and lines of authority.

4. **Final Construction Schedule:** Within 30 days of the Effective Date of the Order, the Respondents shall provide a final construction schedule to EPA. This schedule shall result from the Constructibility Analysis required in the RAWP which EPA approved on August 22, 1997.

5. Construction of the Water Treatment Plant: Within 100 days of the Effective Date of the Order, the Respondents shall begin construction of the water treatment plant in accordance with the FDR. This activity starts with the construction of the underground mechanical piping and the electrical and instrumentation ductwork.

6. Construction Progress Reports: The Respondents shall provide a written progress report to EPA on a monthly basis pursuant to the Order, Section IX (Work to be Performed). The Respondents shall include any data required by the Order in the monthly Progress Reports for the month immediately following the month in which the Respondents generated or acquired such data. These progress reports shall be submitted to EPA by the 10th day of each month for Work done the preceding month and planned Work for the next two months. These progress reports shall begin in the month immediately following the Effective Date of the Order, and they shall include at a minimum:

a. A description of the actions taken by the Respondents during the preceding month to comply with the Order, including a general description of construction activities commenced or completed during the reporting period;

b. The construction activities projected to be commenced or completed during the next two reporting periods; and

c. A description of any significant problems that have been encountered or are anticipated by the Respondents in performing the activities in the construction schedule, and the Respondents' recommended solutions.

7. Review and Approval of Subcontractors: The Constructor's selection process for selecting any subcontractors shall be based on professional and ethical reputation, previous experience in the type of construction activities to be implemented, and demonstrated capability to perform the required construction activities. Before work is performed by any subcontractor, the Constructor shall provide the qualifications of the subcontractors to EPA for approval. The information submitted shall include a statement of qualifications in sufficient detail to allow EPA to make a full and timely evaluation.

8. Pre-final/Final Inspection of Construction: Upon completion of construction, the Respondents shall conduct a pre-final and final inspection of the completed work. At a minimum, the invitees shall include the Respondents and/or their representatives, including the Respondents' Project Coordinator;

the EPA Remedial Project Manager and any designated EPA Oversight Representatives; the Respondents' Remedial Design Engineer; the Respondents' Resident Engineer; the IQAT; and representatives of the City of Glendale, DHS, RWQCB, DTSC, and SCAQMD.

The purpose of the inspections is to determine if all aspects of the plans and specifications for the interim remedies in the FDR, RAWP, and FRAWP have been implemented at the Site and whether the remedy is operational and functional. The final Operation and Maintenance Plan and the Operational Sampling and Analysis Plan shall be presented for review sufficiently in advance of the pre-final inspection to allow for comments on these plans to coincide with inspection comments. If any items have not been completed, the Respondents shall develop a punch list which details the outstanding items still requiring completion or correction before completion of the Work.

A final inspection shall be conducted when all the items on the punch list have been completed. All items indicated as requiring correction on the punch list shall be reinspected, and all tests that were originally unsatisfactory shall be conducted again. A final punch list shall be developed for any outstanding deficiencies still requiring correction.

D. Operation and Maintenance (O&M):

1. Designation of Supervising Contractor: Within 300 days of the Effective Date of the Order, the Respondents shall submit to EPA in writing, the name, title, and qualifications of their proposed Supervising Contractor. The Supervising Contractor shall ensure that the operation of the Remedial Facilities is in compliance with the Order, Glendale OU RODs, O&M Plan, and other RA documents, and shall supervise the O&M Contractor. Prior to this date, the Respondents may submit to EPA a list of contractors for pre-qualification. It is the Respondents' responsibility to provide any pre-qualification information to EPA in a time frame that allows for timely designation of the Supervising Contractor. The Supervising Contractor may come from within the ranks of the Respondents' staff. The factors to be considered in approving or disapproving the Supervising Contractor shall include professional and ethical reputation; professional registration; demonstrated project management experience; experience and qualifications (including at a minimum, Grade III certification in accordance with California Code of Regulations (CCR), Title 17, Division 1, Chapter 5) in the field of water treatment and supply; sufficient capacity (professional, technical and support staff) to

accomplish the project tasks according to the Work Schedule; and sufficient business background and financial resources to provide uninterrupted services throughout the life of the project.

2. **Staffing Plan:** Within 390 days of the Effective Date of the Order, the Respondents shall submit the Staffing Plan. The Staffing Plan shall identify the supervisory chain of command for the project; shall provide an organizational chart identifying specific individuals in the chain of command where possible; and shall define the roles of the Respondents, the Supervising Contractor, and the O&M Contractor. The position of the Respondents' Project Coordinator in the chain of command shall be made clear. The plan shall also estimate staffing levels required to implement the O&M activities, including the levels of expertise required.

3. **Time Line and Schedule:** Within 390 days of the Effective Date of the Order, the Respondents shall submit the Time Line and Schedule. The Time Line and Schedule shall list the major milestones to be accomplished in order for the Respondents to efficiently perform long term O&M of the Remedial Facilities. It shall include the items listed in the Work Schedule, and also intermediate milestone activities such as the Respondents' projected bidding schedule for hiring the O&M

Contractor, and any other items relevant to orderly implementation of O&M Activities. The identification of intermediate milestones, which are defined as those milestones not specified in the Work Schedule, is solely for planning purposes. Any failure by the Respondents to meet the Time Line's intermediate milestones shall not be deemed a violation of the Order.

4. Designation of O&M Contractor: Within 450 days of the Effective Date of the Order, the Respondents shall submit to EPA in writing the name, title, and qualifications of their proposed O&M Contractor. Prior to this date, the Respondents may submit to EPA a list of contractors for pre-qualification. It is the Respondents' responsibility to provide any pre-qualification information to EPA in a time frame that allows for timely designation of the O&M Contractor. The factors to be considered in approving or disapproving the O&M Contractor shall include professional and ethical reputation; professional certification and/or registration (including at a minimum, Grade II certification in accordance with CCR, Title 17, Division 1, Chapter 5); demonstrated experience in the field of water treatment; ability to meet the requirements of the Staffing Plan to accomplish the O&M tasks in accordance with the O&M Plan;

sufficient business background and financial resources to provide uninterrupted services throughout the life of the project; and ability to provide insurance.

5. O&M Plan: Within 450 days of the Effective Date of the Order, the Respondents shall submit the O&M Plan. The O&M Plan shall incorporate Operation and Maintenance activities to be performed on all portions of the Remedial Facilities to ensure that the facilities continue to run according to specification.

a. The O&M Plan shall include a detailed description, including drawings, of the Remedial Facilities; manufacturer specifications for the Remedial Facilities and equipment; easily understood, stepwise standard operating procedures for the Remedial Facilities at all foreseeable flow rates; startup and shutdown procedures for all facilities, including emergency shutdown procedures; a detailed description of manual and electronic control systems; and any other elements pertaining to efficient and safe operation of the Remedial Facilities.

b. The O&M Plan shall describe in detail the routine maintenance activities to be performed on each element of the Remedial Facilities; a schedule for these routine maintenance activities; a schedule of visual inspection of the Remedial

Facilities; a schedule of equipment overhauling per manufacturers specifications; a description and schedule of cleaning and backflushing; detailed chemical handling procedures; and any other elements pertaining to efficient and safe maintenance of the Remedial Facilities.

c. The O&M Plan shall incorporate by reference the Staffing Plan, Health and Safety Plan, Operational Sampling and Analysis Plan, and Contingency Plan.

d. The O&M Plan in conjunction with the Staffing Plan shall delineate clear lines of responsibility for performing the activities referenced within the plan, designating which activities are the responsibility of the O&M Contractor, especially with respect to emergency shutdown and implementation of the Contingency Plan if it becomes necessary.

6. Health and Safety Plan: Within 450 days of the Effective Date of the Order, the Respondents shall submit a Health and Safety Plan that describes the minimum health, safety, and emergency response requirements for the Operation and Maintenance activities to be undertaken by the Respondents, the Supervising Contractor, and/or the O&M Contractor. The plan shall be prepared in accordance with U.S. Occupational Health and Safety Administration ("OSHA") requirements and any other

applicable requirements.

7. O&M Progress Reports: The Respondents shall provide a written progress report to EPA on a monthly basis pursuant to the Order, Section IX (Work to be Performed). The Respondents shall include any data required by the Order in the monthly Progress Reports for the month immediately following the month in which the Respondents generated or acquired such data. These progress reports shall be submitted to EPA by the 10th day of each month for Work done the preceding month and planned Work for the next two months. These progress reports shall begin in the month immediately following the System Operation Date, and they shall include at a minimum:

a. A brief narrative describing any noteworthy accomplishments or problems encountered at the Remedial Facilities during the reporting period (including but not limited to the implementation of process improvements; routine maintenance and maintenance credits used (see Section III.C of this SOW); and a summary of any violations of the Order, the cause of such violations, and the steps being taken to avoid future violations);

b. The quantity of water pumped by each Glendale North and South OU extraction well;

c. A compliance calculation of the project's water budget estimating whether the 5,000 gpm average groundwater extraction rate is being met;

d. Copies or summaries of compliance data submitted by the Respondents to the California Department of Health Services (through the City of Glendale);

e. Reports of volatile organic compounds ("VOC") (see Section III.B of this SOW) and nitrate levels in the extracted groundwater, and the treatment plant's influent and effluent; and

f. The results of any sampling, test, or other data required by the Order or this SOW; and, in accordance with the Quality Assurance Project Plan, quality assurance documentation that demonstrates compliance with Section XVI (Quality Assurance, Sampling and Data Analysis) of the Order.

8. Other Reporting:

a. EPA may require the Respondents to report verbally or in writing the requirements of Section II.D.7 of this SOW more frequently than in the monthly Progress Reports.

b. The Respondents shall direct their laboratories to send the results of all water analyses to the City of Glendale at the same time the results are sent to the

Respondents.

E. Other Items:

1. **Pre-Certification Inspection of O&M:** At the end of the time period for which the Respondents are required to perform O&M activities pursuant to the Order, the Respondents shall schedule and conduct a pre-certification inspection to be attended by EPA. EPA shall conduct a final review of records and inspection of the Remedial Facilities. The inspection shall be a necessary part of approving or disapproving the Work in accordance with Paragraph 34 of the Order.

2. **Determination of Decommissioning/Dismantling of Remedial Facilities:** In conjunction with the process of reviewing the written report that follows the pre-certification inspection, EPA will make a determination as to whether all or a portion of the Remedial Facilities shall be decommissioned/dismantled. At least ninety days prior to the date that the Respondents anticipate that the Work will have been fully performed, the Respondents may voice their opinions to EPA on whether all or a portion of the Remedial Facilities shall be decommissioned/dismantled. The Respondents shall also notify the City of Glendale of their opinion at least ninety days prior to the date that the Respondents anticipate that the Work will have

been fully performed.

F. Submittals: The Settling Respondents shall submit three (3) copies of each deliverable to the EPA Project Coordinator designated in Section XVIII (Remedial Project Manager) of the Order, one copy to EPA's designated remedial action oversight contractor, and one copy of each deliverable transmittal letter to the EPA Office of Regional Counsel as designated in the Order, Section XXVIII (Opportunity to Confer).

III. Operation of Remedial Facilities

A. Period of Operation and Maintenance: The Respondents shall perform O&M activities on the Remedial Facilities as required under Section IX (Work to be Performed) of the Order and Section III of this SOW, for a period of twelve years. This period of O&M shall commence on the System Operation Date, which will occur approximately nineteen months after the Effective Date of the Order. The System Operation Date is defined as the first day the Remedial Facilities, after completion of system shakedown and performance testing, are ready to begin delivery of water to the City of Glendale. The Respondents shall submit written notification to EPA of that date, which, subject to EPA approval, shall be the System Operation Date for the purpose of calculating the Respondents' compliance with the Order. This date shall

occur within 575 days of the Effective Date of the Order.

B. Operational Standards:

1. **Extraction Requirements:** The Remedial Facilities shall extract and treat an annual average of 5,000 gpm. The calculation of the annual average of groundwater extracted shall account for 30 days per year of inoperation of the Remedial Facilities to allow for maintenance and repair activities.

2. **Treatment Requirements:** The Remedial Facilities shall, at a minimum, achieve the Performance Standards during system operation, including, but not limited to the following:

a. All groundwater shall be treated to meet all current federal or State of California maximum contaminant levels ("MCLs") (whichever is more stringent) for VOCs, including, but not limited to the following chemicals:

Trichloroethylene;

Perchloroethylene;

Benzene;

Carbon tetrachloride;

1,1-dichloroethane (1,1-DCA);

1,2-DCA;

1,1-dichloroethene (1,1-DCE);

cis-1,2-DCE;

trans-1,2-DCE;

1,1,2,2-tetrachloroethane;

1,1,2-trichloroethane; and

Xylene

b. All groundwater shall be treated to meet the secondary drinking water standards of 22 CCR Section 64449.

c. The Remedial Facilities shall comply with the monitoring requirements of 22 CCR Sections 64421-64445.2.

d. All treated groundwater shall be disinfected before it is purveyed to the City of Glendale, which will then blend the treated water to meet the MCL for nitrate.

C. Annual Maintenance Allowance: The Annual Maintenance Allowance shall be measured in units of gallons and shall be used as a means for the Respondents to perform a certain amount of routine maintenance on the Remedial Facilities without being in violation of the Order. The Annual Maintenance Allowance will also be used as a means of measuring compliance with the limits set on suspension of operations (see below). On the System Operation Date, and at one year anniversaries from the System Operation Date, the Respondents will be credited with an Annual Maintenance Allowance of 216,000,000 gallons. There shall be no carryover of unused maintenance credits.

D. Suspension of Operations:

1. If the treated water does not meet or it is anticipated that it will not meet the requirements of Section III.B.2 of this SOW, the Respondents shall immediately shut down the Remedial Facilities. The Respondents shall verbally inform the EPA Project Coordinator and the City of Glendale within 24 hours of the shutdown, and shall submit written notification to EPA and the City of Glendale within 7 days of the shutdown. The written notification shall list the primary and secondary drinking water standards that were violated or could not be met, shall describe the cause of the violations, and shall outline the corrective actions necessary for the Remedial Facilities to meet the Performance Standards. The Respondents shall not resume operation of the Remedial Facilities until directed by EPA.

2. The Respondents may suspend operations by designating a maintenance outage (e.g, a full day or a portion thereof). Maintenance outages during the operating year shall not exceed the Annual Maintenance Allowance, or the Respondents shall be considered in violation of the Order. Maintenance outages may not be designated for reasons other than maintenance. The Respondents shall notify the EPA Project Coordinator in advance of a planned maintenance outage. Maintenance outages

shall be specifically accounted for in the O&M Progress Reports required in Section II.D.7 of this SOW.

E. Calculation of Days Out of Compliance: The Respondents shall be deemed to be out of compliance with the Order for the number of days calculated as follows:

$$\text{DOC} = \frac{2,412,000,000 - \text{AGP}}{7,200,000}$$

where

DOC = number of Days Out of Compliance

AGP = total gallons extracted annually by Remedial
Facilities

2,412,000,000 = extraction requirement of Section
III.B.1 of this SOW

7,200,000 = total gallons extracted daily at a rate
of 5,000 gpm

Days Out of Compliance shall be rounded down to the nearest whole number of days, and shall be the number of days the Respondents will be deemed out of compliance for the year with this Order. A zero or negative value for DOC indicates compliance. This compliance calculation will be performed annually on the

anniversary date of the System Operation Date.

IV. Other Requirements

A. Coordination: The Respondents shall use their best efforts to coordinate and cooperate with each other and with the City of Glendale and any person(s) conducting the tasks described in Section IX (Work to be Performed) of the Order in all aspects of conducting their respective work obligations.

B. Agreement with the City of Glendale: Within 75 days of the Effective Date of the Order, the Respondents shall finalize negotiations with the City of Glendale for an overall agreement that distinguishes the roles and responsibilities of the City and the Respondents in construction and operation of the interim remedy, and the financial relationships between the Respondents and the City with respect to implementing the interim remedy. The agreement shall also detail methods for ensuring a cooperative and effective working relationship among the Respondents and the City and an efficient process for timely dispute resolution. The Respondents shall include the status of such negotiations in the monthly Construction Progress Reports required in Section II.C.6 of this SOW. Also, in accordance with the Work Schedule, the Respondents shall submit a copy of the executed agreement to EPA.

C. Substantive Permitting and Property Acquisition/Lease

Agreements: Within 7 days of the Effective Date of the Order, the Respondents shall provide written documentation to EPA that the lease agreement for the treatment plant site has been finalized.

Within 90 days of the Effective Date of the Order, the Respondents shall finalize all substantive permitting requirements necessary to construct and operate the interim remedy. The Respondents shall also finalize all other property acquisition and lease agreements necessary to construct and operate the interim remedy. Respondents shall provide to EPA written documentation, i.e. signed lease agreements, property title, permits, and correspondence, that all requirements have been met.

In the event that any substantive permitting, property acquisition, and lease agreements (not including the agreement for the treatment plant site) are not completed according to the Work Schedule, the Respondents shall submit weekly reports to EPA, in writing, indicating the status of completing remaining requirements, problems encountered, and actions taken to resolve outstanding issues. However, the Respondents shall finalize substantive permitting requirements, property acquisition and

lease agreements sufficiently in advance of when such requirements must be met and/or such properties are needed for the timely completion of the Remedial Action Work.

ATTACHMENT 1: Work Schedule

REMEDIAL ACTION WORK SCHEDULE

DAYS AFTER EFFECTIVE
DATE OF THE ORDER

CONSTRUCTION OF INTERIM REMEDIAL ACTION

Administrative

| | | |
|----|--|----|
| A. | Notify EPA of finalized Lease Agreement for Treatment Plant Site | 7 |
| B. | Submit Global Agreement with City of Glendale | 75 |
| C. | Submit documentation verifying all property acquisition, lease agreements, and substantive permitting are complete | 90 |

Treatment Plant Construction

| | | |
|----|---|-----|
| D. | Start Water Treatment Plant Site Preparation | 14 |
| E. | Submit Final Construction Schedule | 30 |
| F. | Submit Selection of Subcontractors | 50 |
| | EPA Review and Approval | 65 |
| | Finalize Contracts | 80 |
| G. | Pre-construction Conference | |
| H. | Start Construction of the Water Treatment Plant | 100 |

Well Construction

| | | |
|----|--|-----|
| I. | Start Well Construction on DreamWorks' Property | 7 |
| J. | Complete Well Construction on DreamWorks' Property | 140 |
| K. | Submit Selection of Subcontractors | 190 |
| | EPA Review and Approval | 205 |
| | Finalize Contracts | 220 |
| L. | Start Construction of Remaining Five Wells | 250 |

Pipeline Construction

| | | |
|----|------------------------------------|-----|
| M. | Submit Selection of Subcontractors | 110 |
|----|------------------------------------|-----|

| | |
|--|--------------|
| EPA Review and Approval | 125 |
| Finalize Contracts | 140 |
| N. Start Construction of Collector and Transmission Pipelines | 170 |
| <u>Completion of Construction</u> | |
| O. Complete Construction of Remedial Facilities | 515 |
| P. Pre-final Inspection of Construction | 545 |
| Q. Final Inspection of Construction | 570 |
| OPERATION AND MAINTENANCE OF INTERIM REMEDIAL ACTION | |
| A. Submit Selection of Supervising Contractor | 300 |
| EPA Review and Approval | 315 |
| Finalize Contracts | 330 |
| B. Submit Staffing Plan | 390 |
| EPA Review and Approval | 405 |
| C. Submit Time Line and Schedule | 390 |
| EPA Review and Approval | 405 |
| D. Submit Selection of O&M Contractor | 450 |
| EPA Review and Approval | 465 |
| Finalize Contracts | 480 |
| E. Submit O&M Plan(s) | |
| Draft | 450 |
| EPA Review and Comment | 480 |
| Final O&M Plan(s) | 510 |
| F. Submit Health and Safety Plan | |
| Draft | 450 |
| EPA Review and Comment | 480 |
| Final O&M Plan(s) | 510 |
| G. System Operation Date | 575 |
| H. Pre-certification Inspection | 4,988 |